

RENTRAK CORP
Form DEF 14A
July 16, 2009
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**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 § 240.14a-12.

RENTRAK CORPORATION

(Name of Registrant as Specified in its Charter)

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RENTRAK CORPORATION

One Airport Center

7700 N.E. Ambassador Place

Portland, Oregon 97220

July 20, 2009

To Our Shareholders:

Our 2009 Annual Meeting of Shareholders will be held on Thursday, August 20, 2009, at 10:00 a.m., Eastern Daylight Time, at The Cornell Club, 6 East 44th Street, New York, New York. On the following pages you will find the formal Notice of Annual Meeting and Proxy Statement. Our 2009 Annual Report is also enclosed.

Among the matters to be acted on at the meeting is the election of directors. Judith Allen and Cecil Andrus will be leaving the Board as of the annual meeting after five years and nine years of service, respectively. We will miss their knowledge, wisdom and guidance, and extend our heartfelt thanks to them for their many years of service to Rentrak's shareholders.

Whether or not you plan to attend the meeting in person, it is important that your shares be represented and voted at the meeting. ACCORDINGLY, PLEASE DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD PROMPTLY. If you attend the meeting, you may revoke your proxy and vote in person if you prefer.

Sincerely yours,

/s/ PAUL A. ROSENBAUM
PAUL A. ROSENBAUM
Chairman of the Board

/s/ WILLIAM P. LIVEK
WILLIAM P. LIVEK
Chief Executive Officer

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RENTRAK CORPORATION

One Airport Center

7700 N.E. Ambassador Place

Portland, Oregon 97220

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held August 20, 2009

To the Shareholders of

Rentrak Corporation:

The Annual Meeting of Shareholders of Rentrak Corporation (Rentrak) will be held on Thursday, August 20, 2009, at 10:00 a.m., Eastern Daylight Time, at The Cornell Club, 6 East 44th Street, New York, New York, for the following purposes:

1. To elect a Board of Directors consisting of eight members, each to serve until the next annual meeting of shareholders and until his or her successor is duly elected and qualified;
2. To consider and approve the Amended and Restated 2005 Stock Incentive Plan;
3. To hear reports from various officers of Rentrak; and
4. To transact such other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors has fixed the close of business on June 23, 2009 as the record date for determining shareholders entitled to notice of, and to vote at, the meeting and any adjournments or postponements thereof. The proxy statement, proxy card and 2009 Annual Report to Shareholders accompany this Notice.

Whether or not you plan to attend the Annual Meeting, please fill out, sign, date and promptly return the enclosed proxy in the enclosed postage paid envelope. You may revoke your proxy in writing or at the Annual Meeting if you wish to vote in person.

By Order of the Board of Directors:

/s/ MARK L. THOENES
MARK L. THOENES
*Executive Vice President, Chief Financial Officer and
Secretary*

Portland, Oregon

July 20, 2009

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING
TO BE HELD ON AUGUST 20, 2009:**

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The proxy statement for the 2009 annual meeting of shareholders and 2009 annual report to shareholders are available at http://www.rentrak.com/section/corporate/investors/2009_annual_report.html.

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RENTRAK CORPORATION

One Airport Center

7700 N.E. Ambassador Place

Portland, Oregon 97220

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

To Be Held August 20, 2009

MEETING AND VOTING INFORMATION

Date, Time and Place of Meeting

The board of directors of Rentrak Corporation (Rentrak) is furnishing this notice of annual meeting and proxy statement and the enclosed proxy card in connection with the board's solicitation of proxies for use at Rentrak's 2009 Annual Meeting of Shareholders (the Annual Meeting). The Annual Meeting will be held on Thursday, August 20, 2009, at 10:00 a.m. Eastern Daylight Time, at The Cornell Club, 6 East 44th Street, New York, New York.

Solicitation and Revocation of Proxies

Shares represented by a proxy card that is properly dated, executed and returned will be voted as directed on the proxy. If no direction is given, proxies will be voted **FOR** each of the director nominees selected by the board of directors and **FOR** approval of the Amended and Restated 2005 Stock Incentive Plan. If other matters properly come before the Annual Meeting, the persons named in the accompanying proxy will vote in accordance with their best judgment with respect to such matters. Any proxy given by a shareholder may be revoked at any time prior to its use by execution of a later-dated proxy delivered to Rentrak's Secretary, by vote in person at the Annual Meeting, or by written notice of revocation delivered to Rentrak's Secretary.

Rentrak's board of directors has selected the two persons named on the enclosed proxy card to serve as proxies in connection with the Annual Meeting. These proxy materials and the accompanying 2009 Annual Report to Shareholders, which includes Rentrak's audited financial statements for the fiscal year ended March 31, 2009, and the other portions of Rentrak's 2009 Annual Report on Form 10-K, are being mailed on or about July 20, 2009, to shareholders of record on June 23, 2009.

Purposes of the Annual Meeting

The Annual Meeting has been called for the following purposes:

To elect a board of directors consisting of eight members, each to serve until the next annual meeting of shareholders and until his or her successor is duly elected and qualified;

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To consider and approve the Amended and Restated 2005 Stock Incentive Plan;

To hear reports from various officers of Rentrak; and

To transact such other business as may properly come before the meeting or any adjournments thereof.

Section 2.3.1 of Rentrak's 1995 Restated Bylaws, as amended (Bylaws), sets forth procedures to be followed for introducing business at a shareholders meeting. Rentrak has no knowledge of any other matters that may be properly presented at the Annual Meeting. If other matters do properly come before the Annual Meeting in accordance with the Bylaws, the persons named in the proxy card will vote your proxy in accordance with their judgment on such matters in the exercise of their sole discretion.

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Record Date and Shares Outstanding

Only shareholders of record at the close of business on June 23, 2009 (the Record Date), are entitled to notice of, and to vote at, the Annual Meeting. At the close of business on the Record Date, 10,401,587 shares of Rentrak common stock were outstanding. For information regarding the ownership of Rentrak common stock by holders of more than five percent of the outstanding shares and by Rentrak's directors and executive officers, see Security Ownership of Certain Beneficial Owners and Management on page 16 of this proxy statement.

Voting; Quorum; Vote Required

Each share of common stock outstanding on the Record Date is entitled to one vote per share at the Annual Meeting. Shareholders are not entitled to cumulate their votes. The presence, in person or by proxy, of the holders of a majority of Rentrak's outstanding shares of common stock is necessary to constitute a quorum at the Annual Meeting. Assuming the existence of a quorum, the affirmative vote of a plurality of the votes cast at the Annual Meeting, in person or by proxy, will be required to elect persons nominated to be directors. The Amended and Restated 2005 Stock Incentive Plan will be approved if it receives the affirmative vote of a majority of the total votes cast at the Annual Meeting.

Effect of Abstentions

If you abstain from voting, your shares will be deemed present at the Annual Meeting for purposes of determining whether a quorum is present. However, only votes cast in favor of a nominee for director will have an effect on the outcome of the election of directors. Abstentions will also have no effect on the outcome of the vote on Proposal 2 to approve the Amended and Restated 2005 Stock Incentive Plan.

Effect of Broker Non-Votes

If a broker holds your shares in street name, you should instruct your broker how to vote. A broker non-vote occurs when a nominee holding shares for a beneficial owner returns a duly executed proxy but does not vote on a proposal because the nominee does not have discretionary voting power with respect to the matter being considered and did not receive voting instructions from the beneficial owner. Broker non-votes are deemed present at the Annual Meeting for purposes of determining whether a quorum is present, but will have no effect on the outcome of the election of directors or the vote on the Amended and Restated 2005 Stock Incentive Plan.

Costs of Solicitation

Rentrak will bear all costs and expenses associated with this solicitation. In addition to solicitation by mail, directors, officers, and employees of Rentrak may solicit proxies from shareholders, personally or by telephone, facsimile, or e-mail transmission, without receiving any additional remuneration. Rentrak has asked brokerage houses, nominees and other agents and fiduciaries to forward soliciting materials to beneficial owners of Rentrak common stock and will reimburse all such persons for their expenses.

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PROPOSAL 1

ELECTION OF DIRECTORS

Six of our current directors, Tom Allen, George Kuper, Bill Livek, Paul Rosenbaum, Brent Rosenthal and Ralph Shaw, have been nominated by the board of directors to stand for re-election as directors. Judith Allen and Cecil Andrus are not standing for re-election.

The board of directors increased the number of positions on the board by one effective June 15, 2009, and elected Bill Livek, Rentrak's newly-hired Chief Executive Officer, to fill the vacancy. The board seat had been approved by the board as an appropriate element of Mr. Livek's hiring package. In Mr. Livek's employment agreement dated June 15, 2009, Rentrak agreed to take all steps necessary to appoint him as a director by July 6, 2009, and to nominate him for election as a director at the Annual Meeting.

Two other individuals, Anne MacDonald and Richard Hochhauser, have been nominated by the board of directors, upon the recommendation of the Nominating and Governance Committee, for election at the Annual Meeting to fill the positions being vacated by Ms. Allen and Governor Andrus. Ms. MacDonald and Mr. Hochhauser were recommended as potential board members by other non-management directors.

Rentrak's Bylaws were amended in June 2009 to provide for eight positions on the board of directors. The board of directors has nominated the individuals named below to fill the eight positions. If for any reason any of the nominees named below should become unavailable for election (an event the board does not anticipate), proxies will be voted for the election of such substitute nominee as the board in its discretion may recommend. Proxies cannot be voted for more than eight nominees. Directors are re-elected annually to serve until the next annual meeting of shareholders and until their successors are duly elected and qualified. If a vacancy occurs after the Annual Meeting, the board of directors may elect a replacement to serve for the remainder of the unexpired term.

The board of directors has determined that each of the nominees for director named below, other than Messrs. Livek and Rosenbaum, is or will be an independent director under Rule 5605(a)(2) of the Nasdaq listing standards.

The board of directors recommends a vote FOR the election of each of the following nominees for director:

THOMAS D. ALLEN (age 56). Mr. Allen has been Executive Vice President and Chief Financial Officer and was a co-founder of ACME Communications, Inc. (ACME), a television broadcasting group headquartered in Santa Ana, California, since 1997. Mr. Allen also serves on the Board of Directors of ACME. Prior to that, Mr. Allen served as Chief Operating and Chief Financial Officer of Virgin Interactive Entertainment, Inc. from 1993 through 1996 and served as Fox Broadcasting Company's initial chief financial officer from 1986 through 1993. Mr. Allen has served as a director of Rentrak since August 2007 and was an advisor to the board from 2004 until 2007.

RICHARD HOCHHAUSER (age 64). Mr. Hochhauser retired as President and Chief Executive Officer of Harte-Hanks, Inc., in 2008, a position in which he served since 2002. He served in various other capacities with Harte-Hanks, Inc., a global direct and targeted marketing solutions provider, since 1975. Mr. Hochhauser is also a director of John Wiley & Sons, Inc., a global publisher of print and electronic products, and is a board member of the Direct Marketing Educational Foundation. He previously served as chair of the board of directors of the Direct Marketing Association. Mr. Hochhauser received a BS from Carnegie Mellon University and an MBA from Columbia University.

GEORGE H. KUPER (age 68). Mr. Kuper, based in Ann Arbor, Michigan, has been president and CEO of the Council of Great Lakes Industries since 1994. During his career, he has held positions as director of productivity programs at the General Electric Company (1978-83); executive director of the Manufacturing Studies Board of the National Academy of Sciences (1983-88); and CEO of the Industrial Technology Institute (1988-94). Mr. Kuper was a founder of the National Center for Manufacturing Sciences and executive director of the National Center for Productivity, a Presidential appointment. He received a BA from The Johns Hopkins University, an MSc(econ) from the London School of Economics and Political Science, and an MBA from Harvard Business School. Mr. Kuper has served as a director of Rentrak since 2000.

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WILLIAM P. LIVEK (age 55). Mr. Livek has been Chief Executive Officer and a director of Rentrak since June 15, 2009. For a summary of the terms of Mr. Livek's employment agreement with Rentrak, please see Executive Compensation Discussion and Analysis of Executive Compensation Programs CEO Hiring Package below. From December 2008 until June 2009, Mr. Livek was Chief Executive Officer of Symmetrical Capital, an investment and consulting firm focused on the marketing/media measurement industry. From February 2007 until December 2008, he was Senior Vice President, Strategic Alliances and International Expansion, of Experian Information Solutions, Inc., a provider of information, analytical and marketing services worldwide, and was co-President of Experian's subsidiary Experian Research Services from October 2004 to 2007. For more than 10 years prior to October 2004, Mr. Livek was President and co-founder of Simmons Market Research Bureau, where he directed the growth and evolution of the company into a media-neutral, consumer centric research and data business prior to its sale to Experian in 2004.

ANNE MacDONALD (age 53). Ms. MacDonald served as President and Chief Marketing Officer of Macy's, Inc., which operates retail stores and Internet websites under the Macy's and Bloomingdale's brands, from 2006 to June 2007. Beginning in 1997, she served in various positions with Citigroup, Inc., a financial services company, including as Chief Marketing Officer from 2004 through 2006. Since June 2007, Ms. MacDonald has been retained as an independent consultant for a variety of marketing projects. She is also a director of SS+K Agency based in New York City, which provides consulting services in such areas as advertising, marketing, public relations and public affairs.

PAUL A. ROSENBAUM (age 66). A significant shareholder in Rentrak since 1994, Paul Rosenbaum served as the company's Chairman of the Board and Chief Executive Officer from September 2000 until June 2009. Effective June 15, 2009, Mr. Rosenbaum began serving in a non-executive capacity as Chairman of the Board of Rentrak. For a summary of the revised terms of Mr. Rosenbaum's employment agreement with Rentrak, please see Executive Compensation Discussion and Analysis of Executive Compensation Programs Employment Agreement with Chairman of the Board below. During his career as a legislator and in private practice, Mr. Rosenbaum acquired extensive knowledge of U.S. banking and insurance law. He served in the Michigan Legislature from 1972 to 1978, during which time he chaired the House Judiciary Committee, was legal counsel to the Speaker of the House and wrote and sponsored the Michigan Administrative Procedures Act. Additionally, Mr. Rosenbaum served on the National Conference of Commissioners on Uniform State Laws, as vice chairman of the Criminal Justice and Consumer Affairs Committee of the National Conference of State Legislatures, and on a committee of the Michigan Supreme Court responsible for reviewing local court rules. From 1980 to 1986 he served on the Board of Trustees of Springfield College. In July 2007, Mr. Rosenbaum was appointed by Oregon governor Ted Kulongoski to serve on the nine-member Board of Commissioners for the Port of Portland. In 2009, Mr. Rosenbaum joined the Providence St. Vincent Medical Foundation Council of Trustees. Mr. Rosenbaum is also the CEO of SWR Corp., which he founded in 1994. SWR Corp. is based in Michigan and designs, sells, and markets specialty industrial chemicals.

BRENT ROSENTHAL (age 37). Since 2002, Mr. Rosenthal has worked as a Research Analyst for WRH Partners II, L.L.C., the general partner of certain affiliated limited partnerships. William R. Huff, a principal of WRH, is the beneficial owner of 8.9% of Rentrak's outstanding stock. Prior to 2002, Mr. Rosenthal served as Director of Mergers & Acquisitions for RSL Communications Ltd. Prior to joining RSL, Mr. Rosenthal served emerging media companies for Deloitte & Touche, LLP. Mr. Rosenthal is a Certified Public Accountant. He received an M.B.A. from the Johnson School at Cornell University and a B.S. in accounting from Lehigh University. Mr. Rosenthal was elected as a director of Rentrak in August 2008.

RALPH R. SHAW (age 70). Mr. Shaw has been president of Shaw Management Company, an investment counseling firm located in Portland, Oregon, since 1980, and general partner of a succession of three venture capital funds beginning in 1983. Mr. Shaw received a B.A. in public accounting from Hofstra University and a J.D. from New York University's School of Law. Mr. Shaw is a trustee of the Tax-Free Trust of Oregon. He is also a director of Schnitzer Steel Industries, Inc., and sits on their audit, compensation, and governance committees. Mr. Shaw served as an outside director of one of Rentrak's subsidiaries from 2000 through 2003. He also served as an adviser to the Rentrak board from 2001 until his election as a director of Rentrak in 2004.

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PROPOSAL 2
APPROVAL OF AMENDMENT AND RESTATEMENT OF
2005 STOCK INCENTIVE PLAN

Background

Overview of Amendment and Restatement

The Rentrak Corporation 2005 Stock Incentive Plan (the "2005 Plan") was originally approved by Rentrak's shareholders in 2005. At this year's annual meeting, shareholders are being asked to approve an amendment and restatement (the "Amendment and Restatement") of the 2005 Plan adopted by the board of directors, subject to shareholder approval. The Amendment and Restatement, which will be effective August 20, 2009, if approved by the shareholders, would:

Increase the total number of shares of common stock available for issuance under the 2005 Plan by 1,000,000 shares, from 1,000,000 to 2,000,000 total shares.

Limit the number of shares available for grants of incentive stock options over the life of the 2005 Plan to 800,000.

Increase the maximum number of shares available for grants of stock options under the 2005 Plan to a single participant in any fiscal year from 200,000 to 300,000.

Increase the maximum number of shares available for grants of stock appreciation rights ("SARs") under the 2005 Plan to a single participant in any fiscal year from 200,000 to 300,000.

Limit the number of shares available for grants of restricted stock or units under the 2005 Plan to a single participant in any fiscal year to 300,000.

Increase the maximum number of shares available for grants of restricted stock or units over the life of the 2005 Plan from 500,000 to 750,000.

Limit the number of shares available for grants of performance awards under the 2005 Plan to a single participant in any fiscal year to 300,000.

Clarify provisions that may allow a participant to pay the purchase price, exercise price, or withholding obligation relating to an award under the 2005 Plan other than in cash.

Clarify provisions prohibiting the repricing of stock options and SARs.

Extend the period during which incentive stock options may be granted under the 2005 Plan to August 20, 2019.

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Eliminate provisions permitting reload options these were replacement options that would be granted automatically to a participant who used previously-acquired shares of stock to pay the exercise price of a stock option.

Specify additional examples of measurement criteria for performance awards granted to executive officers of Rentrak under the 2005 Plan.

Clarify provisions allowing for the adjustment of awards under the 2005 Plan in the event of a merger, stock split, recapitalization, or similar change in Rentrak's capital structure.

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If the 2005 Plan is not approved by the shareholders, it will continue in effect in the form approved in 2005.

Reasons for Amendment and Restatement

The 2005 Plan is intended to promote the interests of Rentrak and its shareholders by enabling us to attract, retain and reward officers and other key employees, nonemployee directors, and outside consultants and to align their interests with the interests of our shareholders. When adopted in 2005, the 2005 Plan replaced Rentrak's 1997 Equity Participation Plan (the "1997 Equity Plan") and Rentrak's 1997 Non-Officer Employee Stock Option Plan (the "Non-Officer Plan") (together, the "Prior Plans"). If the Amendment and Restatement is approved by shareholders, we also do not intend to make any additional grants of cash-settled SARs under Rentrak's Stock Appreciation Rights Plan (the "SAR Plan") adopted during fiscal 2009.

In adopting the Amendment and Restatement, the board of directors considered a number of factors, including:

Rentrak has decided to emphasize incentive-based compensation over fixed cash compensation, as discussed in more detail below under the heading "Executive Compensation Discussion and Analysis of Executive Compensation Programs." Accordingly, Rentrak expects to rely more heavily on equity compensation in the future. The aggregate number of shares remaining available for grants under the 2005 Plan as of July 1, 2009, only 116,913 shares, is too small to permit implementation of this change in compensation philosophy. Also, the limits on the size of awards to a single individual in a single fiscal year are being increased to assure that Rentrak has the flexibility to attract and retain the talent and expertise needed to support the next phase of Rentrak's product development and marketing.

As of July 1, 2009, a total of 234,875 SARs remained available for grant under the SAR Plan. If the Amendment and Restatement is approved by shareholders, future awards of SARs are expected to be granted under the 2005 Plan, rather than the SAR Plan, and those awards will count against the aggregate number of shares available under the 2005 Plan.

Increasing the emphasis on equity-based compensation will also allow more of our overall executive compensation program to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). Section 162(m) provides that compensation, other than performance-based compensation, paid to the chief executive officer and certain of the other highest-paid executive officers of a public company, in excess of \$1,000,000 per individual per year, is not deductible for purposes of federal income tax. The board of directors has established as a priority maximizing the deductibility of Rentrak's executive compensation. Having more compensation qualify as performance-based will enhance our ability to maximize our deductible expenses. Increasing the number of shares of Rentrak common stock available for grant under the 2005 Plan will help achieve this goal.

Awards of performance shares under the 2005 Plan to executive officers may qualify as performance-based under Section 162(m) only if the general categories of performance measures to which awards are subject have been approved by Rentrak's shareholders. Consistent with the board's goal of maximizing the tax deductibility of executive compensation, the Amendment and Restatement includes expanded categories of performance measures, which are described in more detail below, in order to enhance our ability to structure performance share awards with vesting subject to performance measures tied to our objectives of growing and evolving our business into a comprehensive knowledge provider to the media, advertising and entertainment industries.

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2005 Plan Highlights

The 2005 Plan provides for awards of both incentive and nonqualified stock options, SARs, restricted stock or units with time-based vesting, and performance awards with vesting of shares tied to attainment of performance goals. It also authorizes the creation of other awards with characteristics to be determined, allowing for development of new types of equity-based awards in response to changes in tax laws, accounting rules, or the compensation structures of peer companies. Stock options, SARs, and performance awards may be designed, in the discretion of the committee administering the 2005 Plan, to qualify as performance-based compensation under Section 162(m) of the Code. The 2005 Plan also includes provisions to address Section 409A of the Code regarding deferred compensation.

Outstanding Equity Awards and Remaining Shares

As of July 1, 2009, approximately 280 employees and six non-employee directors were considered eligible to participate in the 2005 Plan. Also at that date, 52,750 shares of common stock had been issued under the 2005 Plan pursuant to awards that had been exercised or vested, and awards remained outstanding as follows:

Nonqualified or incentive stock options to purchase a total of 682,375 shares;

SARs to be settled in common stock relating to a total of 75,000 shares; and

Deferred stock units (DSUs) held by non-employee directors covering a total of 175,500 shares. DSUs represent the right to receive shares of common stock upon ceasing to be a director following a specified vesting period.

At July 1, 2009, employees other than executive officers held stock options granted under the 2005 Plan to purchase a total of 52,000 shares at a weighted average purchase price of \$11.10 per share and a weighted average remaining term of two years. No awards have been granted under the 2005 Plan to director nominees or associates of executive officers or directors. Cathy Hetzel, Bill Livek and Paul Rosenbaum have each received grants that represent at least 5% of the total outstanding awards under the 2005 Plan. Information regarding awards granted under the 2005 Plan to our named executive officers as of March 31, 2009, is presented under the heading *Executive Compensation Outstanding Equity Awards at 2009 Fiscal Year End* below. Information regarding awards granted under the 2005 Plan to Mr. Livek is presented under the heading *Executive Compensation Discussion and Analysis of Executive Compensation Programs CEO Hiring Package* below.

The total number of shares subject to outstanding awards under all of Rentrak's equity compensation plans at July 1, 2009, was 1,773,050 shares, and the total number of shares available for future awards under those plans was 116,913 shares (consisting of shares available under the 2005 Plan; the 234,875 cash-settled SARs available under the SAR Plan are not included). At that date, no shares were available for grant under the Non-Officer Plan and the 1997 Equity Plan. Additional information regarding Rentrak's equity-based plans is presented under the subheading *Equity Compensation Plan Information* below.

At the date of this proxy statement, no awards or specific plans with respect thereto have been made regarding the additional 1,000,000 shares authorized for issuance under the 2005 Plan by the Amendment and Restatement. The closing sale price for Rentrak's common stock reported on The NASDAQ Stock Market on July 1, 2009, was \$16.90.

The following summary outlines the material features of the 2005 Plan as amended and restated. The summary is qualified in its entirety by reference to the 2005 Plan, as modified by the Amendment and Restatement, which is attached hereto as [Appendix A](#).

General Information

Plan Administration. The 2005 Plan is administered by a committee of non-employee directors all of whom satisfy the criteria to be an independent director under Rule 5605(d) of the Nasdaq listing standards, a non-employee director under Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the Exchange

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Act), and an outside director under Section 162(m) of the Code. The committee administering the 2005 Plan is the Compensation Committee of Rentrak's board of directors (the Committee), unless and until the board appoints a different committee to administer the 2005 Plan. The Committee establishes the terms and conditions of awards granted under the 2005 Plan, subject to limitations set forth in the 2005 Plan. The Committee may delegate to an Option Committee made up of one or more directors, who may also be officers or other employees of Rentrak, certain authority under the 2005 Plan, including the authority to grant awards to eligible employees who are not subject to stock ownership reporting requirements under Section 16(a) of the Exchange Act.

Eligible Participants. The 2005 Plan provides for the grant of stock options and other stock-based awards to officers, other key employees, and non-employee directors of Rentrak or one of its subsidiaries. Outside consultants or advisers who provide services to Rentrak or a subsidiary, other than services of a capital-raising nature, are also eligible to receive awards under the 2005 Plan.

Shares Available for Grant. Up to a total of 2,000,000 shares of Rentrak's common stock, plus a number of shares equal to the shares covered by outstanding options under the Prior Plans that are cancelled, terminate, or otherwise expire without being exercised, may be issued to eligible participants in the 2005 Plan.

If all or a portion of an award granted under the 2005 Plan is cancelled, terminates or otherwise expires without being exercised or shares being issued, the shares covered by that award or applicable portion will become available for future awards. In addition, shares subject to an award that is paid in cash or exchanged for another award may be used for future awards under the 2005 Plan. Shares will not be added back to the 2005 Plan if a participant pays the exercise price of an award or his or her tax withholding obligations by delivering shares of Rentrak common stock he or she already owns, by surrendering other outstanding vested awards under the 2005 Plan, or by reducing the number of shares otherwise vested under the award.

No Repricing. The 2005 Plan prohibits the repricing of stock options or SARs other than in connection with adjustments for a change in Rentrak's capitalization.

Types of Awards

The types of awards that may be granted by the Committee under the 2005 Plan include:

Options. Options to purchase Rentrak common stock may be incentive stock options (ISOs) meeting the requirements of Section 422 of the Code, or nonqualified options which are not eligible for such tax-favored treatment. ISOs may be granted only to employees of Rentrak or one of its subsidiaries. The 2005 Plan does not specify a maximum term for nonqualified options, but under current law ISOs must expire not more than ten years from the date of grant. For all options, the exercise price per share must be not less than 100% of the fair market value of a share of Rentrak common stock on the date the option is granted.

Stock Appreciation Rights (SARs). A recipient of SARs will receive upon exercise an amount equal to the excess (or specified portion thereof) of the fair market value of a share of Rentrak common stock on the date of exercise over the base price, multiplied by the number of shares as to which the rights are exercised. The base price will be designated by the Committee in the award agreement and must be equal to or greater than the fair market value of a share of Rentrak common stock on the date of grant. Payment may be in cash, in shares of common stock, or in any other form approved by the Committee, provided that payment may be made in a form other than shares of common stock only if the Committee determines that such form of payment will comply with the requirements of Section 409A of the Code relating to deferred compensation. SARs may be granted in connection with options or other awards or may be granted as independent awards.

Restricted Awards. Restricted awards may take the form of restricted shares or restricted stock units. Restricted shares are shares of Rentrak common stock that are subject to such limitations as the Committee deems appropriate, including restrictions on sale or transfer. Restricted shares may be subject to forfeiture in the event the recipient terminates employment or service as a director or consultant during a specified period. Stock certificates representing restricted shares are issued in the name of the recipient but are held by Rentrak until the expiration of any restrictions. From the date of issuance of restricted shares, the recipient is entitled to the rights of a shareholder with respect to such shares, including voting and dividend rights.

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Restricted stock units are awards of units equivalent in value to a share of Rentrak common stock, which similarly may be subject to forfeiture if the recipient terminates employment or service as a director or consultant during a specified period. At the expiration of such period, payment is made with respect to restricted stock units in an amount equal to the value of the number of shares covered by the units. Payment may be in cash or unrestricted shares of Rentrak common stock or in any other form approved by the Committee. The Committee will establish the terms and conditions of restricted stock units so that they will comply with the requirements of Section 409A of the Code.

Performance Awards. Performance awards are granted in units equivalent in value to a share of Rentrak common stock. A performance award is subject to forfeiture to the extent the recipient fails to meet certain performance goals during a designated performance cycle. Performance awards earned by attaining performance goals are paid at the end of a performance cycle in cash or shares of Rentrak common stock or in any other form approved by the Committee.

In the case of performance awards granted to executive officers, the Committee, in its sole discretion, may impose performance goals relating to corporate performance, business unit performance, or a combination of both, in order to qualify the awards as performance-based compensation under Section 162(m) of the Code. Such corporate performance goals will be based on financial performance goals related to the performance of Rentrak as a whole, and may include one or more measures related to earnings, profitability, cash flow (including measures based on Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)), efficiency, or return to shareholders, such as earnings per share, operating income, stock price, costs of production, revenue growth, return on equity, return on assets, or return on invested capital. Business unit performance goals will be based on a combination of financial goals and strategic goals related to the performance of an identified business unit for which a participant has responsibility. Strategic goals for a business unit may include one or a combination of objective factors relating to success in implementing strategic plans or initiatives, introducing products, constructing facilities, developing software, or other identifiable objectives. Financial goals for a business unit may include the degree to which the business unit achieves one or more objective measures related to its revenues, earnings, profitability, efficiency, operating income, costs of production, cash flow, return on equity, return on assets, or return on invested capital. Any corporate or business unit goals may be expressed as absolute amounts or as ratios or percentages. Success in achieving such goals may be measured against various standards, including budget targets, improvement over prior periods, and performance relative to other companies, business units, or industry groups. Approval of the Amendment and Restatement of the 2005 Plan by the shareholders at the Annual Meeting will constitute approval of the foregoing performance goals under Section 162(m) of the Code, if required.

Other Stock-Based Awards. The Committee may grant other awards that involve payments or grants of shares of Rentrak common stock or are measured by or in relation to shares of common stock. The 2005 Plan provides flexibility to design new types of stock-based or stock-related awards to attract and retain employees, directors and consultants in a competitive environment.

Adjustments for Changes in Capitalization; Change in Control

In the event of a stock split, a dividend or distribution paid in common stock, or a recapitalization of or affecting Rentrak's common stock, there will be an automatic and proportionate adjustment to, as applicable, the aggregate number of shares for which awards may be granted under the 2005 Plan, the maximum number of shares that may be awarded to any participant in a fiscal year, the number, kind, and price per share subject to each outstanding stock option and SAR, and the number and kind of shares subject to other awards granted under the 2005 Plan. In the event of other types of corporate reorganizations, mergers, spinoffs, and similar transactions, the Committee has discretion to make those types of adjustments.

The Committee, in its discretion, may provide in any award agreement for acceleration of vesting of the award if a change in control (as defined in the award agreement or, if not so defined, as defined in the 2005 Plan) of Rentrak occurs. An award agreement may also include provisions to deal with outstanding awards in the event of a significant corporate transaction involving Rentrak, such as a merger, sale of substantially all of Rentrak's assets, or dissolution or liquidation of Rentrak.

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Duration, Termination and Amendment of the 2005 Plan

The 2005 Plan will remain in effect until awards have been granted covering all available shares under the 2005 Plan or the 2005 Plan is otherwise terminated by the board of directors. The board may terminate the 2005 Plan at any time, but any such termination will not affect any outstanding awards. The board may also amend the 2005 Plan from time to time, provided that no amendment may be made without shareholder approval if such approval is required by applicable rules and regulations of a stock exchange or registered securities association.

Federal Income Tax Consequences of Awards

The following discussion summarizes the principal anticipated federal income tax consequences of grants of awards under the 2005 Plan to participants and to Rentrak.

Tax Consequences to Participants

Incentive Stock Options. ISOs granted under the 2005 Plan are intended to meet the requirements of Section 422 of the Code. No taxable income results to a participant upon the grant of an ISO or upon the issuance of shares when the ISO is exercised. The amount realized on the sale or taxable exchange of such shares in excess of the exercise price will be considered a capital gain and any loss will be a capital loss, except that if the sale or exchange occurs within one year after exercise of the ISO or two years after grant of the ISO, the participant will recognize compensation taxable at ordinary income tax rates measured by the amount by which either (a) the fair market value on the date of exercise or (b) the amount realized on the sale of the shares, whichever is less, exceeds the exercise price. For purposes of determining alternative minimum taxable income, an ISO is treated as a nonqualified option.

Nonqualified Options. No taxable income is recognized upon the grant of a nonqualified option. In connection with the exercise of a nonqualified option, a participant will generally realize ordinary compensation income (self-employment income for non-employee directors) measured by the difference between the fair market value of the shares acquired on the date of exercise and the exercise price. The participant's cost basis in the acquired shares is the fair market value of the shares on the exercise date. Any gain upon sale of the shares is capital gain and any loss will be a capital loss.

Payment of Exercise Price in Shares. The Committee may permit participants to pay all or a portion of the exercise price of an option using previously-acquired shares of Rentrak common stock. If an option is exercised and payment is made in previously held shares, there is no taxable gain or loss to the participant other than any gain recognized as a result of exercise of the option, as described above.

Stock Appreciation Rights. The grant of a SAR to a participant will not cause the recognition of income by the participant. Upon exercise of a SAR, the participant will recognize ordinary income equal to the amount of cash payable to the participant plus the fair market value of any shares delivered to the participant.

Restricted Awards and Performance Awards. In the case of restricted awards and performance awards, in general, a participant will not recognize any income upon issuance of an award. Generally, the participant will be required to recognize ordinary compensation income at the date or dates, if any, that shares vest in an amount equal to the value of such shares plus any cash received at the date of vesting. Taxable income generally is not recognized with respect to restricted stock units (including DSUs) until the participant is entitled to delivery of the underlying shares.

Tax Consequences to Rentrak

To the extent participants qualify for capital gains treatment with respect to the sale of shares acquired pursuant to exercise of an ISO, Rentrak will not be entitled to any tax deduction in connection with ISOs. In all other cases, Rentrak will be entitled to receive a federal income tax deduction at the same time and in the same amount as the amount which is taxable to participants as ordinary income with respect to awards.

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The information in this proxy statement concerning federal income tax consequences is intended only for the general information of shareholders. Participants in the 2005 Plan should consult their own tax advisers, as federal income tax consequences may depend on the particular terms of individual awards and the specific circumstances of individual participants.

Equity Compensation Plan Information

The following table sets forth, as of March 31, 2009, information about shares of our common stock that may be issued under our equity compensation plans and arrangements. The table does not reflect the additional 1,000,000 shares that would be issuable under the 2005 Plan if the Amendment and Restatement is approved by the shareholders at the Annual Meeting.

Plan Category ⁽¹⁾	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by shareholders ⁽²⁾	1,425,850	\$ 7.63 ⁽⁴⁾	439,913
Equity compensation plans not approved by shareholders ⁽³⁾	51,438	\$ 5.06	
Total	1,477,288	\$ 7.53	439,913

- (1) For a description of the significant terms of outstanding options and deferred stock units, see Note 11 of the Notes to Consolidated Financial Statements included in Rentrak's Annual Report on Form 10-K for the year ended March 31, 2009.
- (2) Equity compensation plans approved by shareholders include the 2005 Plan and the 1997 Equity Plan.
- (3) Equity compensation plans or arrangements approved by our board of directors, but not submitted for shareholder approval, include the Non-Officer Plan.
- (4) The weighted average exercise price does not take into account DSUs granted to our non-employee directors under the 2005 Plan. DSUs represent the right to receive shares of our common stock upon ceasing to be a director following a specified vesting period, with immediate vesting in full if the director's service on the board of directors terminates as a result of death, disability, after reaching age 75, or upon a change in control of Rentrak. There were 127,500 DSUs outstanding at March 31, 2009, representing the right to receive an equal number of shares.

Board Recommendation and Vote Required

The board of directors recommends a vote for approval of the Amendment and Restatement of the 2005 Plan. If a quorum is present at the Annual Meeting, the Amendment and Restatement of the 2005 Plan will be approved upon the affirmative vote of a majority of the total votes cast upon the proposal at the meeting. Abstentions and shares represented by duly executed and returned proxies of brokers or other nominees which are expressly not voted on Proposal 2 will have no effect on the required vote.

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COMMITTEES AND MEETINGS OF THE BOARD

The board of directors has established several standing committees, including an Audit Committee, a Compensation Committee, a Finance Committee, and a Nominating and Governance Committee. During the fiscal year ended March 31, 2009, the board of directors held four meetings. Each director attended at least 75% of the total number of meetings held by the board of directors and the board committees on which he or she served during fiscal 2009.

The board of directors has adopted corporate governance guidelines, which state that directors are expected to attend all meetings of the board of directors, including our annual meetings of shareholders. All directors attended the annual meeting held in August 2008.

Audit Committee

Rentrak has a standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (the Exchange Act). The Audit Committee s activities are governed by a formal written charter, a copy of which is available on Rentrak s website under Investor Information / Corporate Governance [at www.rentrak.com](http://www.rentrak.com). The Audit Committee held four meetings during the fiscal year ended March 31, 2009.

Mr. Andrus (Chair), Mr. Kuper, Mr. Rosenthal and Mr. Shaw, each of whom meets the financial literacy and independence requirements for audit committee membership specified in the Nasdaq listing standards, are the current members of the Audit Committee. The board of directors has determined that Mr. Shaw and Mr. Rosenthal are each qualified to be an audit committee financial expert as defined in the rules of the Securities and Exchange Commission (the SEC).

The Audit Committee makes decisions regarding the engagement or discharge of Rentrak s independent auditors, reviews and pre-approves audit and legally-permitted non-audit services provided by the independent auditors, and oversees the integrity of Rentrak s financial statements and other financial information, its systems of internal accounting and financial controls, and the independence and performance of Rentrak s independent auditors. The Audit Committee has established procedures for the receipt and handling of complaints about accounting and auditing matters and reports of ethical violations regarding Rentrak s directors, officers and employees. The Audit Committee s charter also makes it responsible for reviewing for potential conflicts of interest all transactions between Rentrak and a director, officer or shareholder (including transactions with family members or associates of such persons) that would be required to be reported as a transaction with a related person in this proxy statement under the SEC s disclosure rules and determining whether or not to approve any such transactions.

Compensation Committee

The members of the Compensation Committee are Ms. Allen (Chair), Mr. Allen, Mr. Andrus and Mr. Shaw, each of whom is an independent director as defined in Rule 5605(a)(2) of the Nasdaq listing standards. No other persons were members of the Compensation Committee during fiscal 2009. The Compensation Committee is responsible for approving and evaluating Rentrak s director and officer compensation plans, policies and programs, evaluating the performance of Rentrak s management, and making compensation decisions regarding Rentrak s executive employees. The Compensation Committee is governed by a written charter most recently revised on May 16, 2007. The charter is available on Rentrak s website under Investor Information / Corporate Governance [at www.rentrak.com](http://www.rentrak.com). During the fiscal year ended March 31, 2009, the Compensation Committee held six meetings.

Nominating and Governance Committee

The Nominating and Governance Committee (the Nominating Committee) is chaired by Mr. Kuper; Ms. Allen and Mr. Andrus are its two other members. The board of directors has determined that each of these directors is independent as defined in Rule 5605(a)(2) of the Nasdaq listing standards. No other persons were members of the Nominating Committee during fiscal 2009. The Nominating Committee is governed by a written

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charter, a copy of which is available on Rentrak's website under Investor Information / Corporate Governance at www.rentrak.com. The Nominating Committee held four meetings during the fiscal year ended March 31, 2009.

The Nominating Committee is responsible for identifying individuals qualified to become directors of Rentrak and recommending to the board of directors candidates for election and for recommending individuals to serve on each board committee. It is also responsible for developing for board approval a set of corporate governance guidelines addressing board organizational issues, committee structure and membership, and succession planning for Rentrak's chief executive officer position.

The Nominating Committee has not adopted any specific, minimum qualifications for director candidates. In evaluating potential director nominees, the Nominating Committee will take into account all factors that it considers appropriate, including strength of character, maturity of judgment, career specialization, relevant technical skills or financial acumen, diversity of viewpoints, industry knowledge, and the highest personal and professional ethics, integrity and sound business judgment.

In determining whether to recommend nomination of current directors for re-election, the Nominating Committee will perform periodic evaluations of individual directors. Non-employee directors are generally expected to retire upon reaching age 75 or completing ten years of service, whichever is later. Directors who are also employees will generally be expected to resign upon termination of employment, although the board of directors may make an exception to this policy for a former chief executive officer if it believes it to be in the best interests of Rentrak.

When the Nominating Committee is required to identify new director candidates, because of a vacancy or a desire to expand the board, the Nominating Committee will poll current directors for suggested candidates. The Nominating Committee has the authority to hire a third party search firm if it deems such action to be appropriate, but has not done so since January 1, 2006. Once potential candidates are identified, the Nominating Committee will conduct interviews with the candidates and perform such investigations into the candidates' background as the Nominating Committee deems appropriate.

The Nominating Committee will consider director candidates suggested by shareholders for nomination by the board of directors. Shareholders wishing to suggest a candidate to the Nominating Committee should do so by sending the candidate's name, biographical information, and qualifications to: Chair of Nominating Committee, in care of Mark L. Thoenes, Executive Vice President, Chief Financial Officer and Secretary, Rentrak Corporation, P.O. Box 18888, Portland, Oregon 97218-0888. Candidates suggested by shareholders will be evaluated by the same criteria and process as candidates from other sources.

Finance Committee

The Finance Committee is comprised of Mr. Shaw (Chair), Ms. Allen, Mr. Allen, Mr. Kuper and Mr. Rosenthal. It is responsible for evaluating strategic and operational financial issues facing Rentrak. During the fiscal year ended March 31, 2009, the Finance Committee met four times.

Committee Membership at July 13, 2009

Name	Audit Committee	Compensation Committee	Nominating & Governance Committee	Finance Committee
Judith Allen		Chair	Member	Member
Tom Allen		Member		Member
Cecil Andrus	Chair	Member	Member	
George Kuper	Member		Chair	Member
Brent Rosenthal	Member			Member
Ralph Shaw	Member	Member		Chair

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Rentrak has adopted a Code of Ethics for Senior Financial Officers (Code of Ethics), which is applicable to its chief executive officer, president, principal financial officer, and principal accounting officer. The Code of Ethics focuses on honest and ethical conduct, the adequacy of disclosure in Rentrak s financial reports, and compliance with applicable laws and regulations. The Code of Ethics is included as part of our Code of Business Conduct approved by the board of directors, which is generally applicable to all directors, officers, and employees of Rentrak. The Code of Business Conduct and Code of Ethics are available on Rentrak s website under Investor Information / Corporate Governance at www.rentrak.com and are administered by the Audit Committee.

SHAREHOLDER COMMUNICATIONS WITH THE BOARD

Communications by shareholders to the board of directors should be sent to the attention of the Chair of the Nominating and Governance Committee, in care of Mark L. Thoenes, Executive Vice President, Chief Financial Officer and Secretary, Rentrak Corporation, P.O. Box 18888, Portland, Oregon 97218-0888. Such communications will be forwarded unopened to the individual occupying that position. The Chair of the Nominating Committee will be responsible for responding to or forwarding such communications as appropriate, including communications directed to individual directors or board committees. Communications will not be forwarded if the Chair of the Nominating Committee determines that they do not appear to be within the scope of the board s (or such other intended recipient s) responsibilities or are otherwise inappropriate or frivolous.

DIRECTOR COMPENSATION FOR FISCAL 2009

The following table summarizes compensation paid to non-employee directors for services during the fiscal year ended March 31, 2009.

Name	Fees Earned or Paid in		Total (\$)
	Cash (\$)	Stock Awards (\$)(1)	
Judith G. Allen	\$ 54,600	\$ 36,300 ⁽²⁾	\$ 90,900
Thomas D. Allen	\$ 44,400	\$ 51,990 ⁽³⁾	\$ 96,390
Cecil D. Andrus	\$ 56,600	\$ 36,300 ⁽²⁾	\$ 92,900
George H. Kuper	\$ 51,700	\$ 36,300 ⁽²⁾	\$ 88,000
Brent D. Rosenthal	\$ 26,158	\$ 15,690 ⁽⁴⁾	\$ 41,848
Ralph R. Shaw	\$ 54,100	\$ 36,300 ⁽²⁾	\$ 90,400

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- (1) The dollar amounts reflect the compensation expense recognized for fiscal 2009 for financial statement reporting purposes in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (SFAS 123R), with respect to deferred stock unit (DSU) awards.

- (2) Represents the fiscal 2009 grant of 9,000 DSUs at \$12.10 on April 1, 2008 with 3-year vesting.

- (3) Represents the fiscal 2009 grant of 9,000 DSUs at \$12.10 on April 1, 2008 with 3-year vesting and a grant on August 21, 2008, of 5,250 DSUs (7/12 of an annual DSU grant) for August 2007 through March 2008 at \$14.63 with 3-year vesting.

- (4) Upon his election to the board on August 21, 2008, Mr. Rosenthal was granted 5,250 DSUs at \$14.63 with 3-year vesting, which represents the remaining portion of the fiscal 2009 DSU grant (7/12 of an annual DSU grant) for August 2008 through March 2009. In establishing director compensation, the Compensation Committee and the board of directors considered information regarding the compensation paid to directors of the peer group companies listed under the heading Executive Compensation Discussion and Analysis of Executive Compensation Programs below that was provided by Lipis Consulting, a compensation consultant engaged by the Compensation Committee, along with director compensation information derived from other sources.

Each non-employee director of Rentrak receives an annual retainer of \$30,000. In addition, the chair of the Compensation Committee receives a \$3,000 annual retainer, the chair of the Audit Committee receives a \$5,000 annual retainer, and each other non-employee director who serves on the Audit Committee receives a \$2,500 annual retainer. Non-employee directors are also paid \$1,200 for each board or committee meeting they attend in person or by telephone conference call. Rentrak also reimburses directors for their travel expenses for each meeting attended in person.

On June 15, 2006, the board of directors, upon the recommendation of the Compensation Committee, approved annual awards of DSUs to each non-employee director of Rentrak under the 2005 Stock Incentive Plan. Each award entitles the director to receive 9,000 shares of Rentrak common stock upon ceasing to be a director following a specified vesting period. DSU awards granted during fiscal 2009 vest in three equal annual installments beginning one year after the date of grant. Unvested DSUs also fully vest upon termination of the recipient's service on the Board as a result of death, disability, after reaching age 75, or upon a change in control of Rentrak during the vesting period. In June 2009, the Compensation Committee determined that the outstanding DSU awards held by Ms. Allen will vest in full as of the Annual Meeting.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT****Stock Ownership Table**

The following table sets forth as of June 23, 2009, certain information regarding the beneficial ownership of Rentrak common stock by (i) each person known to be the beneficial owner of 5% or more of Rentrak's outstanding shares of common stock, (ii) each current director and nominee for election as a director of Rentrak, (iii) the executive officers of Rentrak named in the Summary Compensation Table below, and (iv) all current directors and executive officers of Rentrak as a group.

Name	Shares Beneficially Owned	
	Number (1)	Percentage (1)
5% or Greater Owners		
William R. Huff	924,129 (2)	8.9%
67 Park Place, 9 th Floor Morristown, NJ 07960		
Ashford Capital Management, Inc. P.O. Box 4172 Wilmington, DE 19807	712,814 (3)	6.9%
Mark Cuban 5424 DeLoache Avenue Dallas, Texas 75220	629,300 (4)	6.1%
Paul A. Rosenbaum 7700 N.E. Ambassador Place Portland, OR 97220	574,683	5.3%
Directors and Nominees		
Judith Allen	20,000	*
Thomas Allen	3,500	*
Cecil Andrus	33,500	*
Richard Hochhauser	0	
George Kuper	60,000	*
Bill Livek	0	
Anne MacDonald	0	
Paul Rosenbaum**	574,683	5.3%
Brent Rosenthal	750	*
Ralph Shaw	17,500	*
Named Executive Officers		
Cathy Hetzel	27,930	*
Kenneth Papagan	106,300	1.0%
Mark Thoenes	33,828	*
Amir Yazdani	180,137	1.7%
All Current Executive Officers and Directors as a group (15 persons)	1,087,092	9.6%

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* Less than one percent

** Is also a named executive officer

- (1) Unless otherwise indicated, each person has sole voting and dispositive power over the shares listed opposite his or her name. All percentages have been calculated based on 10,401,587 shares of Rentrak's common stock issued and outstanding as of June 23, 2009. In accordance with SEC regulations, the number of shares and percentage calculation with respect to each shareholder assumes the exercise of all outstanding options such shareholder holds and that can be exercised within 60 days after June 23, 2009, as follows: Judith Allen, 17,500 shares; Thomas Allen, 0 shares; Cecil Andrus, 25,000 shares; Cathy Hetzel, 27,500 shares, Richard Hochhauser, 0 shares; George Kuper, 60,000 shares; Bill Livek, 0 shares; Anne MacDonald, 0 shares; Kenneth Papagan, 106,300 shares; Paul Rosenbaum, 425,000 shares; Brent Rosenthal, 0 shares; Ralph Shaw, 17,500 shares; Mark Thoenes, 25,750 shares; Amir Yazdani, 110,000 shares; and all current executive officers and directors as a group, 827,600 shares.
- (2) William R. Huff, the general partner of certain affiliated limited partnerships, filed Amendment No. 1 to Schedule 13D reporting as of March 23, 2009, beneficial ownership of 924,129 shares of Rentrak stock. William R. Huff is a principal of WRH and according to its Schedule 13D filing, Mr. Huff is the beneficial owner and has sole voting power and dispositive power as to the reported shares.
- (3) Ashford Capital Management, Inc. filed Amendment No. 1 to Schedule 13G reporting as of December 31, 2008 sole voting power and dispositive power as to 712,814 shares.
- (4) Mark Cuban filed a Schedule 13G reporting as of December 31, 2006, sole voting power and dispositive power as to 629,300 shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires Rentrak's directors and officers and persons who beneficially own more than 10% of the outstanding shares of Rentrak's common stock (10% shareholders) to file with the SEC initial reports of beneficial ownership (Form 3s) and reports of changes in beneficial ownership (Forms 4 and 5) of such shares. To Rentrak's knowledge, based solely upon a review of the copies of Forms 3, 4, and 5 (and amendments thereto) furnished to Rentrak or otherwise in its files or publicly available, all of Rentrak's officers, directors, and 10% shareholders complied in a timely manner with all applicable Section 16(a) filing requirements during the fiscal year ended March 31, 2009.

Table of Contents**EXECUTIVE OFFICERS**

The names, ages, positions and backgrounds of Rentrak's current executive officers in addition to Bill Livek are as follows:

Name	Age	Position Held Since	Current Position(s) with Rentrak and Background
Timothy Erwin	40	2007	Senior Vice President, Sales and Customer Relations. Mr. Erwin has been with Rentrak for 18 years and, prior to his promotion in January 2007, held positions including Vice President of Customer Relations, Sr. Director of Customer Relations, and Manager of Customer Services and Key Accounts. Prior to joining Rentrak, Mr. Erwin was a District Manager for National Video.
Ron Giambra	47	2008	Executive Vice President, Theatrical Worldwide. Mr. Giambra joined Rentrak in 2001 as Vice President, Theatrical and served as Senior Vice President, Theatrical from early 2003 until his promotion in early 2008. Prior to joining Rentrak, Mr. Giambra held various management positions with motion picture distribution companies, including Tribune Media from 2000 to 2001, Destination Films in 1999 and 2000, Polygram Film Entertainment from 1997 to 1999, and Orion Films from 1983 to 1997. Mr. Giambra currently serves as a member of the Board of Directors and sits on the Audit Committee for the widely-respected Will Rogers Motion Picture Pioneers Foundation, and is active in many charitable events and programs within the motion picture industry.
Marty Graham	51	2005	President, PPT Division. Mr. Graham served as Chief Operating Officer, PPT Division from January 2005 until he was promoted to his current position in October 2005. Mr. Graham served as Senior Vice President, Studio Relations from May 2002 through December 2004. Previously, he served Rentrak as Vice President, Product Development beginning in 1991. Mr. Graham joined Rentrak in October 1988 as Director of Product Development. Prior to joining Rentrak, Mr. Graham served as general manager and secretary/treasurer of Pacific Western Video Corporation.
Cathy Hetzel	58	2007	President, AMI Division. Ms. Hetzel joined Rentrak in March 2004, following a one-year consulting relationship with Rentrak, and served as Senior Vice President, OnDemand Essentials until her appointment to her current position in April 2007. Previously, she was senior vice president, business development at Concero, an interactive television, VOD and electronic commerce services company, beginning in March 2000. Prior to that, she was senior vice president of Digital Cable Radio Associates, a partnership of several music recording companies and cable operators.
Kenneth Papagan	57	2007	President and Chief Strategy Officer. Mr. Papagan joined Rentrak in November 2002 and served as Executive Vice President, Business Development & Strategic Planning until his appointment to his current position in April 2007. Prior to joining Rentrak, Mr. Papagan held the position of President at Delmar Media.Net, a digital media venture-consulting services firm. From 1997 to 2001, Mr. Papagan held several positions at iXL Inc., a \$300M public internet services consulting firm, including Global General Manager of Digital Media and Broadband Solutions. Mr. Papagan's 32-year career in Media and Entertainment has spanned Television Programming, On-Air Marketing, Program Development and Production; Internet and Digital Media professional services; and Media & Entertainment Reporting, Research & Analytics. Earlier in his career he was a founding Executive of eight television networks including Qube, Nickelodeon, MTV, The Movie Channel, ON TV and The JC Penney Shopping Channel.

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Name	Age	Position Held Since	Current Position(s) with Rentrak and Background
Christopher Roberts	41	2008	Senior Vice President, Home Entertainment Media & Information Systems. Mr. Roberts served as Senior Vice President, Sales & Marketing from 2003 until he was promoted to his current position in April 2008. Prior to becoming Vice President, Sales in 1994, a position he held until 2003, Mr. Roberts was Rentrak's National Director of Sales, a position he held beginning in September 1992. Previously, Mr. Roberts worked as an account executive for Rentrak. Prior to that, he was an account executive for National Video. Mr. Roberts is also co-owner of Go! Productions, a music and voice production company based out of Camas, WA. Mr. Roberts serves as a member of the Entertainment Merchants Association (EMA) Digital Council. Mr. Roberts is also on the Board of Director of Our Family Adoptions, a 501(c)(3) non-profit international adoption agency which facilitates adoptions out of The Democratic Republic of Congo, Africa.
Mark Thoenes	56	2006	Executive Vice President and Chief Financial Officer. Mr. Thoenes previously held the position of Senior Vice President and Chief Financial Officer from June 2003 through December 2005. He was appointed Vice President and Chief Financial Officer of Rentrak on January 1, 2001 and served in that position through May 2003. From July 1, 2000, to December 31, 2000, Mr. Thoenes was engaged as an outside consultant to serve as Rentrak's Chief Financial Officer. Prior to joining Rentrak, Mr. Thoenes worked in the healthcare industry for 14 years beginning in 1986 in various financial and operational management positions, most recently as chief operating officer for Physician Partners, Inc. and as chief financial officer for PhyCor of Vancouver, Inc., both health care companies. Mr. Thoenes began his career as a CPA with the public accounting firm Ernst & Young LLP.
Amir Yazdani	49	2001	Executive Vice President, Information Technology and Chief Information Officer. Mr. Yazdani was promoted to his present position in July 2001. Previously, Mr. Yazdani was Vice President, Management Information Systems of Rentrak's former subsidiary 3PF.COM, Inc., from 1999 to June 2001 and Vice President, Management Information Systems of Rentrak from 1993 to 1999.

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EXECUTIVE COMPENSATION

Responsibilities and Processes of Compensation Committee

The Board of Directors has delegated responsibility for considering and approving the compensation and awards to all of Rentrak's executive officers, including the executive officers listed in the Summary Compensation Table on page 26 (the "named executive officers"), to the Compensation Committee, which consists entirely of independent, non-employee directors. The Compensation Committee also establishes the executive compensation principles that guide the design of Rentrak's executive compensation programs.

Engagement of Independent Consultant. For assistance in designing Rentrak's compensation programs for executive officers to meet our goals and objectives, the Compensation Committee has, on a periodic basis, engaged the services of an outside consultant to conduct surveys and provide reports, updates and related advice to the committee regarding compensation paid to executive officers at peer companies who hold positions similar to those of our named executive officers. In fiscal years 2008 and 2009, the Compensation Committee retained Lipis Consulting (the "Consultant") to provide such services.

Role of Executive Officers. The base salaries paid to named executive officers for fiscal 2009, excluding our CEO, Paul Rosenbaum, were recommended to the Compensation Committee by our CEO and approved by the Compensation Committee. The recommendations were reviewed with the Compensation Committee chair in advance of deliberations and action by the Compensation Committee as a whole. Our CEO was present during the Compensation Committee's deliberations and approval process regarding compensation of executive officers other than himself.

The base salary paid to Mr. Rosenbaum for fiscal 2009 was approved by the Compensation Committee in executive session after considering corporate and individual performance parameters, including:

- * Rentrak's profitability,
- * the CEO's leadership and management,
- * regulatory compliance,
- * our business planning, strategy and execution,
- * employee and customer satisfaction, and
- * shareholder relations.

Discussion and Analysis of Executive Compensation Programs

Compensation Principles. In general, our compensation policy is designed to reward the achievement of individual and company goals and objectives. Rentrak follows a practice of linking executive compensation to individual levels of performance, as well as the performance of the company as a whole. The compensation of our executive officers typically includes cash incentive bonuses and equity awards (generally stock options or stock appreciation rights) that reward the achievement of goals and objectives relating to both individual performance and company performance.

Rentrak's overall executive compensation levels are designed to attract and retain the type of talent needed to enable us to achieve and sustain a leadership position in the business and industry in which Rentrak competes, as well as to increase the long-term value of the company for shareholders. In general, this means that total executive compensation should be at or above the median for Rentrak's peers and other appropriate benchmarks.

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Our executive compensation policy is designed to focus Rentrak's officers on achieving strong short-term performance goals and objectives as well as ensuring that the necessary steps are taken to achieve long-term success. Rentrak uses a variety of performance goals and objectives, including personal, financial, operational and strategic.

In connection with hiring our new Chief Executive Officer, Bill Livek, the Compensation Committee approved in concept a shift in our executive compensation to place a greater emphasis on equity-based compensation, as well as compensation conditioned on the achievement of corporate and individual performance goals. This shift in focus is demonstrated by the hiring package approved for Mr. Livek, which is described in greater detail under "CEO Hiring Package" below. We anticipate that these elements of compensation will be a

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larger component of our compensation program for other executive officers going forward, as described under **Equity-Based Awards** below.

Benchmarking and Comparative Peer Group. The Compensation Committee periodically compares the total annual compensation of each named executive officer to the total annual compensation of executives holding comparable positions at similarly-situated peer companies. For the purpose of such comparisons, the committee considers base salary, annual cash incentive bonus, and the value of grants of stock options and stock appreciation rights. The Compensation Committee focuses on the level of total annual compensation, as well as the nature of the various individual elements of compensation, because both are generally important to executives. This gives us the flexibility to provide forms of compensation that are tailored to meet our goals and objectives, as well as the particular executive's needs and wishes, whether at the time of hire or later in the employment relationship.

The Consultant's fiscal 2008 report to the Compensation Committee provided compensation-related information regarding the companies listed below (the peer group):

Arbitron, Inc.	IMS Healthcare, Inc.
BSD Software, Inc.	Lakes Entertainment, Inc.
Ceridian Corp.	Navarre Corp.
Dun & Bradstreet Corp.	NetRatings, Inc.
Greenfield OnLine, Inc.	Opinion Research Corp.
Guideline, Inc.	Reading International, Inc.
IMAX Corp.	ROO Group, Inc.

The companies comprising the peer group used in the Consultant's fiscal 2008 report were selected by the Consultant and approved by the Compensation Committee in consultation with the CEO. The peer group includes companies in the media and software industries that have similar revenues, similar market capitalizations, or similar numbers of employees as compared to Rentrak. The Consultant's fiscal 2008 report included information regarding base salary, bonus, value of stock options and similar stock grants, and certain other compensation derived from various sources, including the proxy statements of members of the peer group.

During fiscal 2009, the focus of the Compensation Committee was less on benchmarking executive compensation to compensation surveys and more on developing a performance-based incentive plan, resulting in the creation of the stock appreciation rights plan described under **SAR Plan** below.

Goals and Objectives for Executive Compensation. The goals and objectives of our executive compensation program for named executive officers are to attract, retain, motivate and reward highly qualified executives to achieve Rentrak's strategic goals and increase shareholder value. For fiscal 2009, total executive compensation was established for each named executive officer based on such factors as:

- * length of time in the position,
- * scope of job responsibilities,
- * current and long-term job performance and potential for advancement,

* competitive market conditions for individuals holding similar positions, and

* the short-term and longer-term performance of our company.

Total executive compensation may also be affected by decisions to pay higher levels of compensation in order to attract superior executive talent in critical functions or to provide additional compensation outside of the normal annual review cycle to address retention issues.

Based on our review of the compensation arrangements discussed below, and our assessments of individual executive and corporate performance, we believe our executive compensation levels and the design of our executive compensation programs are effective in meeting our compensation goals and objectives.

Fiscal 2009 Elements of Compensation. The executive compensation program and its various elements are designed to reward a combination of individual, division, department and/or company-wide performance. The primary elements of our compensation program for named executive officers are base salary, annual cash incentive bonus, stock options or other equity-based or long-term incentive compensation, severance and change-in-control

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agreements, other benefits and perquisites, and an employment agreement. Important aspects of each element of the compensation program for named executive officers are explained in more detail below.

Base Salaries. The Compensation Committee annually reviews and considers adjustments to the base salary of executive officers based on company performance, individual executive performance, increased responsibilities, comparative market compensation for the position, retention considerations and CEO recommendations. During fiscal 2009, none of the named executive officers received salary increases. Base salaries of all executive officers were increased by 3% as part of an across-the-board cost of living adjustment as of April 1, 2009.

Annual Cash Incentive Bonuses. Rentrak previously maintained a discretionary bonus program under which executive officers were eligible to receive annual cash incentive payments based on improvement in corporate and personal performance. The target bonuses were based on (a) performance by the company as a whole or by the line of business for which the officer is responsible and (b) achievement of specific performance parameters established for each individual officer. Company or line of business performance was generally measured by the improvement in pre-tax operating income for the company or line of business over the levels approved by the board of directors as part of the annual budget process. For each executive officer other than the CEO, the CEO recommended for Compensation Committee approval a participation percentage for the portion of the officer's bonus tied to company or line of business performance.

In light of Rentrak's lower pre-tax net income in fiscal 2009 as compared to fiscal 2008, the CEO recommended to the Compensation Committee, and the committee concurred, that executive officers, including the CEO, not be paid cash incentive bonuses for fiscal 2009, other than a discretionary bonus in the amount of \$20,000 paid to Amir Yazdani, Rentrak's Chief Information Officer, in recognition of his efforts in developing TV Essentials into a commercially viable product.

Equity-Based Awards. In light of the change in Rentrak's accounting for employee stock options effective April 1, 2006, the Compensation Committee has sought to balance the need to maintain Rentrak's earnings per share with the goal of providing equity incentives to retain key employees to increase the value of the company. As noted above, however, we expect to place greater emphasis on equity-based compensation going forward. Accordingly, the Compensation Committee recommended and the board of directors approved, subject to shareholder approval, an increase in the shares of Rentrak common stock available for grant under the 2005 Stock Incentive Plan (the "2005 Plan") by 1,000,000 shares to a total of 2,000,000 shares, as well as certain other changes. The proposed amendments to the 2005 Plan are described in greater detail above under "Proposal 2 Approval of Amendment and Restatement of 2005 Stock Incentive Plan."

SAR Plan. During fiscal 2009, the Compensation Committee focused on the evaluation, development and subsequent adoption of the Rentrak Corporation Stock Appreciation Rights Plan (the "SAR Plan"), a copy of which was filed with the SEC under cover of Form 8-K on October 14, 2008. Up to a total of 500,000 stock appreciation rights ("SARs") may be awarded to key employees of Rentrak under the SAR Plan. However, if the Amendment and Restatement of the 2005 Plan is approved by the shareholders at the Annual Meeting, no additional awards will be made under the SAR Plan.

Upon vesting, each SAR gives the holder the right to receive, in cash, an amount equal to the increase in the value of a share of Rentrak common stock over the base price. The base price is equal to the closing sale price of a share of Rentrak common stock as quoted on The Nasdaq Stock Market on the grant date. The Compensation Committee has the authority to make awards of SARs and otherwise to administer the SAR Plan.

In the fall of 2008, the Committee granted a total of 277,625 SARs to 42 Rentrak employees. The base price of the SARs is \$11.10. Vesting of the SAR awards is subject to performance goals approved by the Committee based on the achievement of minimum amounts of operating income by various lines of business. The performance goals relate to the two-year period ending March 31, 2011. Each individual SAR award is subject to satisfaction of a performance goal selected by relevant line of business, with about 70% of the awards tied to combined operating results for Multi-Screen Essentials and OnDemand Essentials, and the remaining awards to operating results for Rentrak's PPT Division, Box Office Essentials, Home Entertainment Essentials, or Supply Chain Essentials. The Compensation Committee will determine whether the performance goals have been met by no later than June 15, 2011; vested SARs will be settled in cash based on the Rentrak closing sale price on

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August 30, 2011, and paid no later than September 30, 2011. The SARs will also vest in full if a change in control of Rentrak occurs before forfeiture, including forfeiture based on failure to achieve the performance goals, in which case the settlement date will be the date the change in control occurs.

Stock Options. The Committee also approved grants of nonqualified stock options pursuant to the 2005 Plan in the fall of 2008 to 15 Rentrak employees for a total of 344,875 shares of Rentrak common stock. The options have an exercise price of \$11.10 per share. The options are subject to vesting provisions based on meeting performance goals comparable to those applicable to the SAR awards and will expire on August 30, 2011 to the extent not previously exercised or terminated. Vesting will be accelerated if a change in control of Rentrak occurs before forfeiture, including forfeiture based on failure to achieve the performance goals.

Deferred Compensation Plan. In February 2008, the Compensation Committee approved a nonqualified deferred compensation plan, called the Executive Nonqualified Excess Plan, as a means to enhance the retirement benefits offered by Rentrak to officers and other highly compensated employees at a relatively low cost to the company. Beginning April 1, 2008, highly compensated employees were eligible to defer up to 100% of their salary and other cash compensation on a tax-deferred basis. Deferred amounts were credited to a participant's account in the plan, and adjusted for changes in value based on investment fund options available under the plan and selected by the participant. Due to limited participation by officers and other highly compensated employees, the deferred compensation plan was terminated on December 31, 2008, with account balances to be distributed to participants following a one-year waiting period. Rentrak did not make any matching contributions to the deferred compensation plan. None of the named executive officers were participants in the plan.

Benefits and Perquisites. Benefits are established based on an assessment of competitive market factors and a determination of what is needed to attract and retain superior talent. The primary benefits received by our named executive officers are generally the same as for all employees of Rentrak on a non-discriminatory basis and include participation in our health, dental and vision plans, disability and life insurance plans, paid personal time-off, as well as Rentrak's 401(k) retirement plan. Certain additional benefits for the named executive officers are reflected in the Summary Compensation Table on page 26. See also *CEO Hiring Package* and *Employment Agreement with Chairman of the Board* below.

Employment Agreements and Termination and Severance Benefits. We believe that it is valuable to establish employment agreements with our executive officers. The employment agreements are consistent with the goals and objectives of our compensation program to attract, retain, motivate and reward highly qualified executives. The Compensation Committee has established guidelines to standardize most of the terms and conditions in our executive employment agreements. A more detailed discussion of the terms and conditions of our employment agreements with our named executive officers is included below under the subheading *Potential Payments upon Termination or Change-in-Control*. See also *CEO Hiring Package* and *Employment Agreement with Chairman of the Board* below.

CEO Hiring Package. In connection with Mr. Livek's hiring as CEO, the Compensation Committee approved an employment agreement with Mr. Livek with a term ending June 30, 2013. The employment agreement provides for an initial annual base salary of \$150,000, which will be increased by 10 percent on each April 1 during the term. In addition to employee benefits available to Rentrak's officers and other management employees generally, the employment agreement provides for reimbursement of costs of supplemental disability insurance and long-term care insurance in a total amount not to exceed \$10,000 per year.

Under the employment agreement, Mr. Livek is also eligible to receive an annual cash bonus of up to \$100,000 based on the achievement of performance measures established each year. For fiscal 2010, such performance measures relate to developing a detailed business plan and new products and services, overseeing the personal and professional development of the executive leadership team, managing the development of and control over capital expenditure and operating budgets, and analyzing potential business transactions on behalf of Rentrak.

If Mr. Livek's employment is terminated without cause or for good reason, he will be entitled to a lump-sum cash severance payment in the amount of \$150,000, as well as all or a portion of the cash bonus for the fiscal year in which termination occurs, based on the extent to which the applicable performance measures for that fiscal year had been achieved prior to termination. Severance payments are conditioned on compliance with noncompete provisions and execution of a general release of claims against Rentrak. To the extent that severance benefits

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payable upon a change in control, including the acceleration of vesting of equity-based awards (including those described below), are subject to an excise tax pursuant to Section 4999 of the Code, such benefits will be reduced to the extent, and only to the extent, necessary to provide a larger after-tax benefit to Mr. Livek.

Good reason is defined as Rentrak's failure to comply with the material terms of the agreement or an act or failure to act by Rentrak that constitutes a substantial adverse change in Mr. Livek's position or responsibilities, a material reduction in his base salary or failure to continue to provide employee benefits. Cause is defined as a material breach of the agreement by Mr. Livek, his failure to comply with Rentrak's general policies or standards or to perform any job duties, a felony conviction or plea of no contest, or any act by Mr. Livek constituting fraud, dishonesty involving Rentrak, or in competition with or materially detrimental to Rentrak.

Mr. Livek was also granted employee stock options to purchase 200,000 shares of Rentrak common stock and stock-settled stock appreciation rights (SARs) relating to 75,000 shares, in each case under the 2005 Plan. The stock options and SARs have an exercise or base price of \$14.50 per share, vest over four years, and have a 10-year term. Upon termination without cause or for good reason, two annual installments of stock options and SARs will vest to the extent not previously vested. If a change in control of Rentrak occurs on or after December 15, 2009, the stock options and SARs will vest in full. If a change in control occurs prior to December 15, 2009, 50 percent of the stock options and SARs will vest.

Finally, Mr. Livek received an award of 213,750 restricted stock units (RSUs), each of which represents a contingent right to receive one share of Rentrak common stock. The RSUs will vest, if at all, upon satisfaction of performance goals tied to achievement of (a) specified levels of earnings before interest, taxes, depreciation and amortization (EBITDA), as modified by subtracting certain other expenses, over the current and next two fiscal years, or (b) trading-price targets for Rentrak's common stock ranging from \$20 to \$40 per share for 65 consecutive trading days during the period ending March 31, 2013. Vesting of a portion or all of the RSUs will also occur if a change in control of Rentrak occurs at price levels ranging from \$20 to \$40 per share. Upon termination without cause or for good reason, 60,000 RSUs will vest if termination is on or prior to March 31, 2010, 90,000 RSUs will vest if termination occurs on or after April 1, 2010 and prior to April 1, 2011, and 120,000 RSUs will vest if termination occurs on or after April 1, 2011 and on or prior to March 31, 2012.

Employment Agreement with Chairman of the Board. In connection with the hiring of Mr. Livek as CEO, Rentrak's employment agreement with Mr. Rosenbaum was amended effective June 15, 2009, to provide for his continued employment in a non-executive capacity as Chairman of the Board. The agreement will expire on September 30, 2011, and provides that he will be paid an annual base salary of \$489,000 through September 30, 2010, and \$325,000 for the ensuing 12 months, together with all employee benefits provided to officers and other management employees generally. He will also be provided with an automobile at Rentrak's expense, with lease payments up to \$900 per month, through December 31, 2009.

The agreement provides for severance upon termination of employment for specified reasons, including death, voluntary termination by Mr. Rosenbaum for good reason, or involuntary termination without cause. Cause and good reason have substantially the same definitions as described above under CEO Hiring Package.

If Mr. Rosenbaum is terminated during the term of the agreement by Rentrak without cause or by Mr. Rosenbaum for good reason, in addition to accrued base salary and other benefits, he will be entitled to receive cash severance payments equal to his monthly base salary of \$40,750 (reduced to \$27,083 beginning October 1, 2010) during the remaining term of the agreement. Medical, dental, group life, long-term care and long-term disability insurance benefits will also be continued during this period unless provided by a subsequent employer. Continuation of severance payments and benefits generally is subject to compliance with an agreement not to compete with Rentrak. If Mr. Rosenbaum dies during the term of the agreement, his estate will be entitled to a lump sum payment of \$500,000 less any amounts payable under any life insurance policies purchased by Rentrak for the benefit of Mr. Rosenbaum's dependents.

Recoupment of Annual Bonuses and Stock Gains. The Sarbanes-Oxley Act of 2002 provides that, if a company is required to restate its financial statements due to material non-compliance with reporting requirements, the CEO and CFO must reimburse the company for (1) any bonus or other incentive or equity-based compensation

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received during the 12 months preceding the first public release of restated financial statements, and (2) any profits from the sale of securities during those 12 months.

Deductibility of Compensation. In considering Rentrak's compensation structure, the Compensation Committee takes into consideration Section 162(m) of the Internal Revenue Code. This provision limits the deductibility of compensation in excess of \$1 million paid to certain of a company's most highly-paid executive officers in a single tax year. Compensation that is performance-based or qualifies under certain other exceptions is excluded from the calculation. For example, stock options and SARs granted under the 2005 Plan are structured to qualify as performance-based compensation under Section 162(m). Although deductibility is only one factor considered by the Compensation Committee in structuring executive compensation consistent with Rentrak's executive compensation program, the Compensation Committee views it as a significant factor. As discussed under Proposal 2 Approval of Amendment and Restatement of 2005 Stock Incentive Plan above, deductibility of compensation was one of the factors considered by the board of directors in recommending that the shareholders approve the Amendment and Restatement.

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The following table summarizes the various elements of compensation for the three fiscal years ended March 31, 2009, paid to or earned by our chief executive officer, chief financial officer and three other most highly compensated executive officers.

Name and Principal Position (1)	Year	Salary (\$)	Bonus (\$)(2)	Option Awards (\$)(3)	All Other Compensation (\$)(4)	Total (\$)
Paul Rosenbaum,	2009	\$ 475,000	\$ 0	\$ 114,546	\$ 46,570	\$ 636,115
Chief Executive Officer	2008	475,000	0	133,406	26,828	635,234
	2007	465,721	52,000	133,093	22,192	673,006
Mark Thoenes,	2009	\$ 275,000	\$ 0	\$ 21,891	\$ 7,613	\$ 304,503
Executive Vice President and Chief Financial Officer	2008	271,667	0	27,716	1,500	303,951
	2007	255,000	42,140	42,363	1,500	341,003
Cathy Hetzel,	2009	\$ 275,000	\$ 0	\$ 31,521	\$ 7,613	\$ 314,134
President, AMI Division	2008	255,000	0	8,344	1,500	264,844
	2007	255,000	48,020	0	1,500	304,520
Kenneth Papagan,	2009	\$ 300,000	\$ 0	\$ 0	\$ 7,613	\$ 307,613
President and Chief Strategy Officer	2008	300,000	0	0	1,500	301,500
	2007	300,000	45,518	43,960	13,395	402,873
Amir Yazdani,	2009	\$ 290,000	\$ 20,000	\$ 0	\$ 10,812	\$ 320,812
Executive Vice President and Chief Information Officer	2008	285,000	0	4,850	3,672	293,520
	2007	260,000	43,120	19,422	3,408	325,950

(1) Reflects principal position as of March 31, 2009.

(2) See discussion under "Annual Cash Incentive Bonuses" on page 22.

(3) Reflects the compensation expense recognized for financial statement reporting purposes in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment" (SFAS 123R), with respect to option awards granted to the named executives. Compensation expense is equal to the grant date fair value of the options estimated using the Black-Scholes option pricing model, and is recognized ratably over the vesting period for each option. The assumptions made in determining the grant date fair values of options under SFAS 123R are disclosed in Note 10 of Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended March 31, 2009 (the "2009 10-K"). All amounts shown relate to awards granted in prior fiscal years.

(4) Amounts disclosed for fiscal 2009 include the following:

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- A. Mr. Rosenbaum received as perquisites a long-term care insurance policy with premiums totaling \$8,278 and an automobile for his personal use with lease payments totaling \$17,329, together with \$14,063 as reimbursement of personal income tax obligations relating to such perquisites. In addition, Mr. Rosenbaum received \$6,900 in annual matching contributions under Rentrak's 401(k) plan.

- B. Mr. Thoenes, Ms. Hetzel and Mr. Papagan received the benefit of a long-term disability insurance plan with annual premiums of \$713, as well as \$6,900 in annual matching contributions under Rentrak's 401(k) plan.

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- C. Mr. Yazdani received the benefit of a supplemental life insurance and long-term disability plan with annual premiums totaling \$3,912, as well as \$6,900 in annual matching contributions under Rentrak's 401(k) plan.

Grants of Plan Based Awards

The following table sets forth certain information concerning individual grants of equity and non-equity awards to the named executive officers during the fiscal year ended March 31, 2009. No previously issued stock options were repriced or otherwise modified in fiscal 2009.

Name	Grant Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards			Estimated Future Payouts under Equity Incentive Plan Awards			All other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of SAR and Option Awards (\$/Sh) (k)	Grant Date Fair Value of Stock and Option Awards (\$)(3) (l)
		Threshold (\$)(c)	Target (\$)(1)(d)	Maximum (\$)(e)	Threshold (#)(f)	Target (#)(2)(g)	Maximum (#)(h)				
Paul	10/10/08		15,000							\$ 11.10	
Rosenbaum	10/10/08					45,000				\$ 11.10	\$ 114,080
Mark	10/10/08		11,250							\$ 11.10	
Thoenes	10/10/08					33,750				\$ 11.10	\$ 85,560
Cathy	10/10/08		12,000							\$ 11.10	
Hetzel	10/10/08					36,000				\$ 11.10	\$ 91,264
Kenneth	10/10/08		11,375							\$ 11.10	
Papagan	10/10/08					34,125				\$ 11.10	\$ 86,510
Amir	10/10/08		12,500							\$ 11.10	
Yazdani	10/10/08					37,500				\$ 11.10	\$ 95,066

- (1) Reflects awards of stock appreciation rights (SARs) in fiscal 2009 under the Rentrak Corporation Stock Appreciation Rights Plan (the SAR Plan). The SARs are denominated in shares of Rentrak common stock. SARs granted in fiscal 2009 vest upon achievement of operating income performance goals for the two-year period ending March 31, 2011. The performance goals for all of the named executive officers relate to the Multi-Screen and OnDemand Essentials lines of business. Upon vesting, each SAR gives the holder the right to receive, in cash, an amount equal to the increase in the value of a share of Rentrak common stock over the base price of \$11.10 per share. Determination of vesting will be made by the Compensation Committee on or before June 15, 2011, with vested SARs being settled in cash based on Rentrak's closing stock price on August 30, 2011 and paid no later than September 30, 2011. The SARs will also vest in full if a change in control of Rentrak occurs before forfeiture, including forfeiture based on failure to attain the performance goals, in which case the settlement date will be the date the change in control occurs.
- (2) Reflects nonqualified stock option grants in fiscal 2009 under the 2005 Stock Incentive Plan. The stock options grants are subject to vesting provisions based on attaining performance goals comparable to those applicable to the SAR awards and will expire on August 30, 2011 to the extent not previously exercised or terminated. Vesting will be accelerated if a change in control of Rentrak occurs before forfeiture, including forfeiture based on failure to attain the performance goals.

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- (3) The grant date fair value of stock options granted in fiscal 2009 was \$2.54 per share, which amount was determined using the Black-Scholes option pricing model based on the assumptions described in Note 11 to our audited financial statements included in the 2009 10-K.

Outstanding Equity Awards at 2009 Fiscal Year End

The following table provides information about awards of stock options held by the named executive officers at March 31, 2009.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (1)	Option Expiration Date
Paul Rosenbaum	100,000		\$ 3.50		3/30/2011
	200,000		3.16		9/11/2011
	75,000		10.50		2/9/2012
	50,000		6.89		8/20/2013
			11.10	45,000	8/30/2011
Mark Thoenes	7,000		\$ 2.19		1/1/2011
	5,625		7.97		11/26/2013
	7,500		9.00		8/23/2014
	5,625	1,875 ⁽²⁾	9.14		11/9/2015
			11.10	33,750	8/30/2011
Cathy Hetzel	20,000		\$ 10.05		3/17/2014
	7,500	22,500 ⁽³⁾	11.15		2/7/2018
			11.10	36,000	8/30/2011
Kenneth Papagan	56,300		\$ 5.00		11/18/2012
	50,000		9.23		3/3/2014
			11.10	34,125	8/30/2011
Amir Yazdani	10,000		\$ 3.75		4/19/2010
	90,000		3.40		7/1/2011
	10,000		6.89		8/20/2013
			11.10	37,500	8/30/2011

- (1) Vesting of nonqualified stock option award is subject to performance goals approved by the Compensation Committee based on the achievement of minimum amounts of operating income in the Multi-Screen and OnDemand Essentials lines of business for the two-year period ending March 31, 2011.

- (2) Vests 100% on November 9, 2010.

- (3) Vests one-third on February 7, 2010, one-third on February 7, 2011, and one-third on February 7, 2012.

Table of Contents**Option Exercises During Fiscal 2009**

The following table provides information regarding exercises of stock options by the named executive officers during the fiscal year ended March 31, 2009.

Name	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)
Paul Rosenbaum		
Mark Thoenes		
Cathy Hetzel		
Kenneth Papagan		
Amir Yazdani	10,000	\$ 90,100

Potential Payments upon Termination or Change-in-Control

Rentrak has entered into employment agreements with each of its executive officers, including the named executive officers. Mr. Rosenbaum's agreement was amended effective June 15, 2009, in connection with his becoming a non-executive Chairman of the Board. See Executive Compensation Discussion and Analysis of Executive Compensation Programs Employment Agreement with Chairman of the Board above. Each of the agreements with the other named executive officers, Ms. Hetzel and Messrs. Papagan, Thoenes and Yazdani, will expire December 31, 2009, subject to automatic renewal for successive one-year periods unless Rentrak gives notice of non-renewal by a specified date prior to the end of each year. The agreements will also automatically extend for an additional two calendar years if a change-in-control (a "CIC") occurs during the term of the agreement. A CIC includes (1) the acquisition by a person or group of beneficial ownership of 25% or more of the combined voting power of Rentrak's then outstanding capital stock, (2) the election of directors a majority of whom are not individuals nominated by Rentrak's then incumbent directors, and (3) the approval by Rentrak's shareholders of a plan of complete liquidation, a sale of substantially all of Rentrak's assets, or a merger or similar transaction other than a transaction in which Rentrak's shareholders continue to hold at least 75% of the combined voting power of the voting securities of the surviving entity immediately following the transaction.

The employment agreements with the named executive officers other than Mr. Rosenbaum provide for severance upon termination of employment for specified reasons, including death, disability, voluntary termination by the employee for good reason, or involuntary termination without cause. Good reason is defined as Rentrak's failure to comply with the agreement or an act or failure to act by Rentrak that constitutes a substantial adverse change in the officer's position or responsibilities or a reduction in his or her base salary. Good reason also includes, in the case of Messrs. Papagan, Thoenes and Yazdani, Mr. Rosenbaum's ceasing to be CEO. Cause is defined as a material breach of the agreement by the officer, the officer's failure to comply with Rentrak's general policies or standards or to perform any job duties, a felony conviction or plea of no contest, or any act by the officer constituting fraud, dishonesty involving Rentrak, or in competition with or materially detrimental to Rentrak.

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Severance Following Termination During Term of Agreement. No severance benefits are payable if employment is terminated by Rentrak for cause or voluntarily by the officer other than for good reason. If an executive officer is terminated during the term of the agreement and before a CIC occurs, by Rentrak without cause or by the officer for good reason, in addition to accrued base salary and other benefits, the officer is entitled to receive severance payments in the amount of his or her monthly base salary during a severance period of (a) three months for each four full years of continuous service, (b) the number of monthly installments specified in the agreement (six months for Ms. Hetzel and Mr. Papagan and nine months for Messrs. Thoenes and Yazdani), or (c) the remaining term of the agreement, whichever is longest. Health insurance benefits will also be continued during this period unless provided by a subsequent employer. Continuation of severance payments generally is subject to compliance with an agreement not to compete with Rentrak and execution by the officer of a general release of claims against Rentrak.

If employment is terminated during the term of the agreement and after a CIC occurs, either without cause or for good reason, the executive officer will be entitled to receive a lump sum payment equal to two times his or her then-current annual base salary and average annual bonus amount during the prior two fiscal years, subject to reduction if his or her resulting after-tax benefit would be larger due to the effect of the excise tax on excess parachute payments. He or she will also be entitled to continued participation in Rentrak's health and life insurance plans, other welfare plans, and 401(k) plan for two years.

If an executive officer dies or becomes disabled during the term of the agreement, the officer or his or her estate will be entitled to accrued base salary and other employee benefits through the date of termination of employment.

Severance upon Termination After Expiration of Agreement. The employment agreements with Ms. Hetzel and Messrs. Papagan, Thoenes and Yazdani also provide for continuation of medical benefits and for severance payments in the event employment is terminated by Rentrak without cause, or by the executive officer with good reason, after expiration of the term, provided that the officer has had five or more continuous years of employment with Rentrak. The total amount of the severance payments will equal the officer's monthly base salary then in effect times (a) three months for each four full years of continuous service or (b) the number of monthly installments specified in the agreement, whichever is longer.

For a description of Rentrak's employment agreement with Bill Livek, our new CEO, see [Executive Compensation Discussion and Analysis of Executive Compensation Programs](#) [CEO Hiring Package](#) above.

The following tables set forth certain information concerning payments and other benefits that would have been payable to our named executive officers under the agreements in place as of March 31, 2009, in the event their employment was terminated or a CIC had occurred on March 31, 2009 ([Year End](#)), under various circumstances described in the tables. The tables assume no future changes in benefits or vesting are made. We have not entered into any agreements or plans that provide benefits to our named executive officers solely as a result of a change in control, other than the acceleration of vesting of unvested stock options and SARs in certain circumstances. Except as noted in the footnotes to the tables, all amounts are payable by Rentrak.

Table of Contents*Paul Rosenbaum, Chief Executive Officer* (1)

	Voluntary Termination			Involuntary Termination (Other Than Death and Disability)				
	For Good Reason Without CIC (a)	For Good Reason with CIC (b)	Any Other Voluntary Termination (c)	Without Cause and Without CIC (d)	Without Cause and With CIC (e)	Any Other Involuntary Termination (f)	Death (g)	Disability (h)
Cash Severance (2)	\$ 475,000	\$ 1,425,000	\$ 0	\$ 475,000	\$ 1,425,000	\$ 0	\$ 500,000	\$ 0
Stock Option Vesting (3)	0	0	0	0	0	0	0	0
Health and Other Benefits (4)	7,510	68,064	0	7,510	68,064	0	0	0
Total	\$ 482,510	\$ 1,493,064	\$ 0	\$ 482,510	\$ 1,493,064	\$ 0	\$ 500,000	\$ 0

- (1) Mr. Rosenbaum began serving as non-executive Chairman of the Board of Rentrak as of June 15, 2009. See Executive Compensation Discussion and Analysis of Executive Compensation Programs Employment Agreement with Chairman of the Board above.
- (2) Represents 12 months base salary as severance upon termination for good reason or without cause prior to the occurrence of a CIC not approved by Rentrak's board (columns (a) and (d)), and three times annual base salary as severance upon termination for good reason or without cause following the occurrence of a CIC not approved by Rentrak's board (columns (b) and (e)). Following Mr. Rosenbaum's death, his estate is entitled to a lump sum payment of \$500,000 less any amounts payable under any life insurance policies purchased by Rentrak for the benefit of his dependents (column (g)).
- (3) All non-performance stock options held by Mr. Rosenbaum are fully vested. The performance-based SAR awards and option awards were granted on October 10, 2008, with a grant price of \$11.10 per share, which is higher than the Year End price of \$9.00 per share, resulting in an out of the money award. No incremental value is shown relating to the vesting of options because all unvested SARs and options have an exercise price above the Year End price.
- (4) Represents the estimated current cost of continuation of 12 months of health insurance coverage (in the case of columns (a) and (d)) or three years of health insurance coverage, long-term care insurance policy and employer contribution to Rentrak's 401(k) plan (in the case of columns (b) and (e)).

Table of Contents*Mark Thoenes, Chief Financial Officer*

	Voluntary Termination			Involuntary Termination (Other Than Death and Disability)				
	For Good Reason Without CIC (a)	For Good Reason with CIC (b)	Any Other Voluntary Termination (c)	Without Cause and Without CIC (d)	Without Cause and With CIC (e)	Any Other Involuntary Termination (f)	Death (g)	Disability (h)
Cash Severance (1)	\$ 206,250	\$ 571,070	\$ 0	\$ 206,250	\$ 571,070	\$ 0	\$ 0	\$ 0
Stock Option Vesting (2)	0	0	0	0	0	0	0	0
Health and Other Benefits (3)	5,632	30,246	0	5,632	30,246	0	0	0
Total	\$ 211,882	\$ 601,316	\$ 0	\$ 211,882	\$ 601,316	\$ 0	\$ 0	\$ 0

- (1) Represents nine months base salary as severance upon termination for good reason or without cause prior to the occurrence of a CIC (columns (a) and (d)), and two times the sum of Mr. Thoenes's annual base salary plus average bonus during the prior two fiscal years as severance upon termination for good reason or without cause following the occurrence of a CIC (columns (b) and (e)).
- (2) The unvested non-performance stock options that were granted in February 2008 at \$11.15 per share and the performance-based SAR awards and option awards that were granted on October 10, 2008, at a grant price of \$11.10 per share were both higher than the Year End stock price of \$9.00 per share, resulting in an out of the money award. No incremental value is shown relating to the vesting of options because all unvested SARs and options have an exercise price above the Year End price.
- (3) Represents the estimated current cost of continuation of nine months of health insurance coverage (in the case of columns (a) and (d)) or two years of health insurance coverage, long-term disability insurance policy and employer contribution to Rentrak's 401(k) plan (in the case of columns (b) and (e)).

Table of Contents*Cathy Hetzel, President AMI Division*

	Voluntary Termination			Involuntary Termination (Other Than Death and Disability)				
	For Good Reason Without CIC (a)	For Good Reason with CIC (b)	Any Other Voluntary Termination (c)	Without Cause and Without CIC (d)	Without Cause and With CIC (e)	Any Other Involuntary Termination (f)	Death (g)	Disability (h)
Cash Severance (1)	\$ 206,250	\$ 574,010	\$ 0	\$ 206,250	\$ 574,010	\$ 0	\$ 0	\$ 0
Stock Option Vesting (2)	0	0	0	0	0	0	0	0
Health and Other Benefits (3)	5,632	30,246	0	5,632	30,246	0	0	0
Total	\$ 211,882	\$ 604,256	\$ 0	\$ 211,882	\$ 604,256	\$ 0	\$ 0	\$ 0

- (1) Represents nine months base salary as severance upon termination for good reason or without cause prior to the occurrence of a CIC (columns (a) and (d)), and two times the sum of Ms. Hetzel's annual base salary plus average bonus during the prior two fiscal years as severance upon termination for good reason or without cause following the occurrence of a CIC (columns (b) and (e)).
- (2) The unvested non-performance stock options that were granted in February 2008 at \$11.15 per share and the performance-based SAR awards and option awards that were granted on October 10, 2008, at a grant price of \$11.10 per share were both higher than the Year End stock price of \$9.00 per share, resulting in an out of the money award. No incremental value is shown relating to the vesting of options because all unvested SARs and options have an exercise price above the Year End price.
- (3) Represents the estimated current cost of continuation of nine months of health insurance coverage (in the case of columns (a) and (d)) or two years of health insurance coverage, long-term disability insurance policy and employer contribution to Rentrak's 401(k) plan (in the case of columns (b) and (e)).

Table of Contents*Kenneth Papagan, President and Chief Strategy Officer*

	Voluntary Termination			Involuntary Termination (Other Than Death and Disability)				
	For Good Reason Without CIC (a)	For Good Reason with CIC (b)	Any Other Voluntary Termination (c)	Without Cause and Without CIC (d)	Without Cause and With CIC (e)	Any Other Involuntary Termination (f)	Death (g)	Disability (h)
Cash Severance (1)	\$ 225,000	\$ 622,759	\$ 0	\$ 225,000	\$ 622,759	\$ 0	\$ 0	\$ 0
Stock Option Vesting (2)	0	0	0	0	0	0	0	0
Health and Other Benefits (3)	3,825	25,427	0	3,825	25,427	0	0	0
Total	\$ 228,825	\$ 648,186	\$ 0	\$ 228,825	\$ 648,186	\$ 0	\$ 0	\$ 0

- (1) Represents nine months base salary as severance upon termination for good reason or without cause prior to the occurrence of a CIC (columns (a) and (d)), and two times the sum of Mr. Papagan's annual base salary plus average bonus during the prior two fiscal years as severance upon termination for good reason or without cause following the occurrence of a CIC (columns (b) and (e)).
- (2) All non-performance stock options held by Mr. Papagan are fully vested. The performance-based SAR awards and option awards were granted on October 10, 2008, with a grant price of \$11.10 per share, which is higher than the Year End price of \$9.00 per share, resulting in an out of the money award. No incremental value is shown relating to the vesting of options because all unvested SARs and options have an exercise price above the Year End price.
- (3) Represents the estimated current cost of continuation of nine months of health insurance coverage (in the case of columns (a) and (d)) or two years of health insurance coverage, long-term disability insurance policy and employer contribution to Rentrak's 401(k) plan (in the case of columns (b) and (e)).

Table of Contents*Amir Yazdani, Chief Information Officer*

	Voluntary Termination			Involuntary Termination (Other Than Death and Disability)				
	For Good Reason Without CIC (a)	For Good Reason with CIC (b)	Any Other Voluntary Termination (c)	Without Cause and Without CIC (d)	Without Cause and With CIC (e)	Any Other Involuntary Termination (f)	Death (g)	Disability (h)
Cash Severance (1)	\$ 362,500	\$ 601,560	\$ 0	\$ 362,500	\$ 601,560	\$ 0	\$ 0	\$ 0
Stock Option Vesting (2)	0	0	0	0	0	0	0	0
Health and Other Benefits (3)	12,422	41,499	0	12,422	41,499	0	0	0
Total	\$ 374,922	\$ 643,059	\$ 0	\$ 374,922	\$ 643,059	\$ 0	\$ 0	\$ 0

- (1) Represents 15 months' base salary as severance upon termination for good reason or without cause prior to the occurrence of a CIC (columns (a) and (d)), and two times the sum of Mr. Yazdani's annual base salary plus average bonus during the prior two fiscal years as severance upon termination for good reason or without cause following the occurrence of a CIC (columns (b) and (e)).
- (2) All non-performance stock options held by Mr. Yazdani are fully vested. The performance-based SAR awards and option awards were granted on October 10, 2008, with a grant price of \$11.10 per share, which is higher than the Year End price of \$9.00 per share, resulting in an out of the money award. No incremental value is shown relating to the vesting of options because all unvested SARs and options have an exercise price above the Year End price.
- (3) Represents the estimated current cost of continuation of 15 months of health insurance coverage (in the case of columns (a) and (d)) or two years of health insurance coverage, employer paid supplemental life insurance and long-term disability insurance policy, and employer contribution to Rentrak's 401(k) plan (in the case of columns (b) and (e)).

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REPORT OF THE COMPENSATION COMMITTEE

The Report of the Compensation Committee shall not be deemed incorporated by reference by any general statement incorporating this proxy statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that Rentrak specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

The Compensation Committee oversees, on behalf of the board of directors of Rentrak Corporation, Rentrak's executive compensation programs, including payments and awards to its executive officers and directors. The Committee has overall responsibility for approving and evaluating Rentrak's director and officer compensation plans, policies and programs and addressing other compensation issues facing Rentrak that require board action. The Committee is also responsible for discussing with management and recommending to the board of directors the Compensation Discussion and Analysis for inclusion in Rentrak's annual proxy statement, in accordance with applicable SEC regulations.

In discharging its responsibilities, the Compensation Committee:

Reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement; and

Based upon its review and discussions, the Compensation Committee recommended to the board of directors that the Compensation Discussion and Analysis be included in the proxy statement and furnished in Rentrak's annual report on Form 10-K for the fiscal year ended March 31, 2009, through its incorporation by reference from the proxy statement.

Submitted by the Compensation Committee of the Board of Directors:

Judith Allen (Committee Chair) Thomas Allen Cecil Andrus Ralph Shaw

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REPORT OF THE AUDIT COMMITTEE

The Report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating this proxy statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that Rentrak specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

In discharging its responsibilities, the Audit Committee and its individual members have met with management and Rentrak's independent auditors, Grant Thornton LLP, to review Rentrak's accounting functions and the audit processes for the Company's financial statements and system of internal control over financial reporting. The Audit Committee reviewed and discussed with Rentrak's independent auditors and management the audited financial statements for fiscal 2009. It also discussed with the independent auditors all other matters that the independent auditors were required to communicate and discuss with the Audit Committee under applicable auditing standards, including those described in Statement on Auditing Standards No. 114, as amended, regarding communications with audit committees. Audit Committee members also discussed and reviewed the results of the independent auditors' examination of Rentrak's financial statements, management's assessment of Rentrak's system of disclosure controls and procedures, external financial reporting and internal control over financial reporting, and issues relating to auditor independence. The Audit Committee has received the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the Audit Committee concerning independence and has discussed with the independent auditors their independence.

Based on its review and discussions with management and the independent auditors, the Audit Committee recommended to the board of directors that the audited financial statements for the fiscal year ended March 31, 2009, be included in Rentrak's Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

Submitted by the Audit Committee of the Board of Directors:

Cecil Andrus (Committee Chair) George Kuper Brent Rosenthal Ralph Shaw

MATTERS RELATING TO OUR AUDITORS

Selection of Independent Auditors

The Audit Committee has appointed and engaged Grant Thornton LLP to be Rentrak's independent auditors for the Company's fiscal year ending March 31, 2010. Grant Thornton LLP audited Rentrak's financial statements for the fiscal year ended March 31, 2009. No approval or ratification of the choice of independent auditors by the shareholders is required by applicable law or regulation or Rentrak's governing documents. A representative of Grant Thornton LLP is expected to be present at the Annual Meeting and will have the opportunity to make a statement if he or she desires to do so. Such representative is also expected to be available to respond to appropriate questions.

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Fees Paid to Principal Independent Auditors

The following fees were billed by Grant Thornton LLP for professional services rendered to Rentrak for fiscal 2009 and 2008:

	2009	2008
Audit Fees ⁽¹⁾	\$ 429,521	\$ 443,500
Audit Related Fees ⁽²⁾	5,800	
Tax Fees		

- Total revenue, segment revenue and core pawn revenue, which is composed of pawn fees and retail merchandise sales;
- Net income and diluted earnings per share and related adjusted measures;
- Adjusted EBITDA (Adjusted earnings before net interest expense, tax expense, depreciation expense and amortization expense);
- Income before income taxes and pre-tax profit margin;
- Store count additions from both new (“de-novo”) store openings and acquisitions; and
- Total stockholder returns and other financial return metrics.

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2018 Operating Results

Revenue and Store Growth:

The following charts illustrate core pawn revenue, which includes pawn fees and retail merchandise sales, and non-core revenue, which includes revenue from consumer lending operations and wholesale scrap jewelry operations, for each of the last three years, and the number of store locations operated by the Company at the end of each of these years:

Revenue growth highlights for the year ended December 31, 2018:

While total revenue for 2018 was relatively flat (\$1,781 million compared to \$1,780 in 2017), revenue from core pawn operations in 2018 increased \$55 million, or 4%, compared to 2017, from \$1,562 million to \$1,617 million.

Core pawn revenues for 2018 in the Latin America segment increased 15% on a dollar-translated basis and increased 17% on a constant currency basis, due primarily to store additions and same-store improvements.

Core pawn revenue in the U.S. declined 1% primarily due to certain strategic operational initiatives carried out in the legacy Cash America stores during 2018.

Revenue growth from core pawn operations was offset by a \$33 million, or 23%, decline in non-core wholesale scrap jewelry revenue and a \$21 million, or 27%, decline in non-core consumer loan revenue compared to 2017. Scrap jewelry revenue in 2017 was higher than normal as a result of focused liquidation of excess and aged inventories in the Cash America stores, and the Company has deemphasized its consumer lending operations in recent years due to regulatory constraints and increased internet-based competition for such products.

The Company added a significant number of additional locations during the year ended December 31, 2018:

A total of 445 stores were added in 2018:

366 acquired pawn stores in Latin America

52 de novo pawn stores opened in three countries in Latin America

27 acquired pawn stores in the U.S.

The year-over-year store count increased 38% in Latin America

Primarily due to the closing of 27 stand-alone consumer lending locations, which the Company has continued to deemphasize, the year-over-year store count decreased 2% in the U.S. Excluding these consumer lending location closures, the pawn store count increased 1% in the U.S. compared to the prior year.

Net store additions have grown at a compound annual growth rate of 32% over the past three years, which is a key driver of long-term revenue growth

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Earnings Results:

The following charts illustrate net income (GAAP and adjusted), diluted earnings per share (GAAP and adjusted), EBITDA, adjusted EBITDA and pre-tax profit margin (GAAP and adjusted) for each of the three years ended December 31, 2018. Adjusted net income, adjusted diluted earnings per share, EBITDA, adjusted EBITDA and adjusted pre-tax profit margin are non-GAAP financial measures and are calculated in the detailed reconciliation of non-GAAP financial measures provided in Appendix A.

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Earnings growth highlights for the year ended December 31, 2018:

GAAP net income, which increased 6% compared to the prior year, was impacted by several discrete items effecting year-over-year comparability. Most notably, prior-year GAAP net income (2017) included a non-recurring net \$27 million income tax benefit due to the passage of the Tax Cuts and Jobs Act (“Tax Act”), which was partially offset by \$6 million in merger and other acquisition expenses and \$9 million in debt extinguishment costs. GAAP net income in 2018 reflected a \$2 million income tax benefit due to the Tax Act, offset by \$5 million in merger and other acquisition expenses and \$1 million in consumer lending impairment expenses.

Adjusted net income increased 21% based primarily on expansion of operating margins and incremental earnings in both the U.S. and Latin America from store additions. Adjusted net income excludes the net tax benefits, merger and other acquisition expenses, consumer lending impairment expenses and debt extinguishment costs discussed above.

GAAP diluted earnings per share increased 14% in 2018, while adjusted earnings per share increased 29% over the prior year. Adjusted diluted earnings per share excludes the net tax benefits, merger and other acquisition expenses, consumer lending impairment expenses and debt extinguishment costs discussed above.

EBITDA for 2018 totaled \$275 million, an increase of 10% over 2017, and adjusted EBITDA totaled \$284 million, an increase of 4% over 2017. The increase in EBITDA and adjusted EBITDA was partially offset by an \$19 million, or 28%, decline in gross profit from non-core wholesale scrap jewelry and non-core consumer lending compared to the prior year.

Pre-tax profit margin increased 180 basis points to 11.5% and adjusted pre-tax profit margin, which is calculated using a non-GAAP financial measure, increased 100 basis points to 12.0% compared to the prior year.

GAAP net income has grown at a compound annual growth rate of 36% over the past three years and adjusted net income has grown at a compound annual growth rate of 32% over the same three-year period. Over the past three years, EBITDA and adjusted EBITDA have grown at a compound annual growth rate of 32% and 29%, respectively.

Overall, the income growth results reflects the Company’s ongoing strategy of increasing its store count and working to increase the margins of its existing stores.

Financial Return Metrics:

The following charts illustrate asset and equity return metrics for each of the three years ended December 31, 2018. Return on tangible assets and return on tangible equity are calculated by excluding goodwill and intangible assets, net from the respective return calculations.

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Financial return metric highlights for the year ended December 31, 2018:

• Return on assets increased 50 basis points to 7.4% while return on tangible assets increased 150 basis points to 13.9% compared to the prior year.

• Return on equity was 11.2% while return on tangible equity was 37.7%, which represented increases of 140 basis points and 1,110 basis points, respectively, compared to the prior year.

Stockholder Return:

The following charts illustrate total stockholder return for the one, three and five-year periods ended December 31, 2018 for the Company as compared to the 2018 Peer Group (as defined below) and the Russell 2000 index. Total stockholder returns are calculated on a compound annual growth rate basis and include dividends paid and stock repurchases for each period.

Stockholder return metric highlights for the year ended December 31, 2018:

The Company's stockholder return significantly outperformed the comparative indices and its 2018 peer group for the one and three year return periods ended December 31, 2018, and were in-line with the comparative five year return period.

• The strong comparative return metrics are more impressive when considering the estimated impact of foreign currency exchange rates on the Company's three-year and five-year stockholder returns. As revenues and expenses of the Company's operations in Mexico are translated and reported in U.S. dollars at the average exchange rates occurring during the respective period, foreign currency declines significantly reduced the Company's translated net income generated in Mexico over the respective time periods. The average value of the Mexican peso relative to the U.S. dollar has decreased by 21% and 51% over the three and five year annual periods, respectively.

Impact of Performance on Executive Compensation

The following chart summarizes the performance measures driving 2018 annual incentive compensation for the NEOs (dollars in thousands, except per share amounts):

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Performance Measure	2018 Result	Increase Percentage	
		Over Prior Year	of 2018 Target
Adjusted earnings per share	\$3.53	29 %	109 %
Adjusted EBITDA	\$284,156	4 %	108 %
Latin America operations segment revenue (constant currency basis)	\$565,223	16 %	160 %

The Company believes its 2018 results were outstanding, as the Company significantly grew earnings per share and exceeded expectations for key earnings and profitability metrics. In addition, the Company significantly expanded its store base, which the Company believes is a key driver of future long-term revenue and profitability growth. The performance-related payouts under the compensation plans for the CEO, COO and CFO directly reflected these strong performance results. The Company believes the compensation plan payouts in 2018 reflected a proper alignment between pay and performance.

Key Features of the Executive Compensation Program

The Compensation Committee is mindful of evolving practices in executive compensation and corporate governance. The table below highlights the Company's current executive compensation practices—both the practices it believes will drive performance and mitigate risk (left column) and the practices it has not implemented or eliminated because it does not believe they would serve stockholders' long-term interests (right column).

What The Executive Compensation Program Does:

Emphasizes an appropriate mix of cash and equity, annual and long-term compensation and fixed and variable pay. All annual and long-term incentive plans for the top three executives are 100% performance-based

Pays senior executives' salaries commensurate with their backgrounds, years of experience, special skill sets and competitive practice

Provides annual cash incentive awards which are tied directly to Company performance based primarily on earnings metrics, and secondarily, upon attainment of quantifiable strategic objectives

Provides annual grants of long-term performance-based equity awards based on attainment of cumulative long-term profitability and growth targets

Equity awards are forfeited if the executive leaves the Company voluntarily or is terminated for cause before the vesting date, which is generally three years from the date of grant for the senior executives

Change in control provisions for the senior executive officers have "double trigger" severance and equity benefits in the event of involuntary termination following a change in control in exchange for a two year non-compete and

What The Executive Compensation Program Does Not Do:

Does not provide for annual cash incentive compensation payouts based on a single performance metric

Does not provide guaranteed salary increases for the top three senior executives

Does not contemplate discretionary cash awards to the top three senior executives

Does not provide for automatic, time-based vesting of equity awards for the top three senior executives

Does not allow repricing of underwater stock options without stockholder approval

Has not and does not contemplate out of cycle incentive awards or equity grants to senior executives

Does not provide for excise tax gross up protection for executives upon a change in control

non-solicitation agreement

Caps the maximum annual incentive award and long-term performance award for the top three executives and provides minimum performance thresholds below which no incentive awards are granted

Senior executives participate in the same 401(k) retirement plan as all other domestic employees and receive modest perquisites with a sound business rationale

Subjects all incentive-based compensation to a “clawback” policy that allows the Company, in the event of a restatement of its financial results, to recover excess amounts erroneously paid to NEOs under certain circumstances

Provides that NEOs and directors are subject to robust stock ownership guidelines

Does not provide for automatic minimum payout awards for annual or long-term performance awards; all incentives must be earned by the top three executives based on performance criteria

Does not provide supplemental retirement plans, non-qualified deferred compensation plans or other excessive executive perquisites

Does not encourage unnecessary or excessive risk taking as a result of the Company’s compensation policies

Does not allow for hedging of Company stock

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Role of the Compensation Committee

The Compensation Committee reviews and administers the compensation program for the Company's executive officers, including recommending to the Board of Directors for approval of the specific compensation of all of the NEOs. Compensation is typically set at the first Compensation Committee meeting each calendar year after reviewing performance for the past year and prospects for the year ahead. The Compensation Committee regularly meets with the CEO, COO and CFO, who provide insight into how individual executives are performing. The Compensation Committee retains broad flexibility in the administration of the Company's compensation plans.

The Compensation Committee has the authority to engage outside advisors to assist the Compensation Committee in the performance of its duties. In particular, the Compensation Committee has sole authority to retain and terminate any compensation consultant to assist in the evaluation of director, CEO or senior executive compensation, including sole authority to approve such consultant's reasonable fees and other retention terms, all at the Company's expense.

The Committee's Use of an Independent Consultant

The Compensation Committee retained the services of Pay Governance, an independent compensation advisory firm, to advise the Compensation Committee on various aspects of the Company's compensation program. The Compensation Committee assessed Pay Governance's independence, as required under Nasdaq listing rules. Based on this review, the Compensation Committee does not believe any conflict of interest existed with the work performed by Pay Governance and considers them to be independent.

Pay Governance worked with the Compensation Committee and management to develop the 2018 peer group ("2018 Peer Group") discussed below and made recommendations on revising the targets and maximums under the proposed 2018 annual cash and equity-based incentive plans and also provided recommendations on the performance metrics included in the 2018 incentive plans.

Benchmarking

The Compensation Committee analyzes the compensation practices of a group of peer companies, consisting of other publicly-traded companies primarily in the pawn, specialty consumer finance and specialty retail industries. All of the peer companies are within a range of market cap and revenue size similar to the Company. In determining compensation for its NEOs, each element of its compensation program is compared against the published compensation data of its 2018 Peer Group and other compensation surveys. The Compensation Committee, while mindful of this peer group and survey data, has not established a specific range of compensation for any element of pay from the peer group, but rather, uses the data as a general guideline for discussion and consideration. The overall goal of this process is to enable the Company to provide total compensation packages competitive with prevailing practices in the Company's industry and within the Company's peer group.

The Compensation Committee engaged Pay Governance to help construct the 2018 peer group. The following specific factors, among other things, were considered during the construction of the 2018 Peer Group:

- Market capitalization

- Revenue

- Geographic footprint (specifically with international operations in Latin America)

Customer base (specifically serving value-conscious retail consumers and/or credit-challenged borrowers)
Regulatory environment (specifically in highly regulated pawn, consumer finance and other financial services industries)

The Compensation Committee believes the lack of a significant number of public pawnshop competitors creates difficulty in constructing a direct peer group. Accordingly, the 2018 Peer Group is constructed with input from Pay Governance using a broader group of companies which are indicative of the underbanked, cash-constrained and value-conscious retail consumer the Company targets and which are also aligned with the increasing size and complexity of the organization. The Compensation Committee believes the 2018 Peer Group is a good reference group for the Compensation Committee to consider in benchmarking executive compensation.

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The Compensation Committee established the following group of peer companies for benchmarking compensation for 2018:

2018 Peer Group	Industry	Geographic Focus
Pawnshop Companies:		
EZCORP, Inc.	Pawnshop operator	United States, Latin America, Canada
Consumer Finance Companies:		
Encore Capital Group, Inc.	Specialty consumer finance	Worldwide (including Latin America)
H&R Block, Inc.	Specialty consumer services	United States, Canada, Australia
OneMain Holdings, Inc.	Specialty consumer finance	United States
PRA Group, Inc.	Specialty consumer finance	United States, Canada, Europe
Santander Consumer USA Holdings Inc.	Specialty consumer finance	United States
SLM Corporation	Specialty consumer finance	United States
Retail Companies:		
Aaron's, Inc.	Specialty retail/consumer finance	United States, Canada
Cinemark Holdings, Inc.	Movies and entertainment	United States, Latin America
DSW Inc.	Specialty retail	United States
Five Below, Inc.	Specialty retail	United States
Big Lots, Inc.	Specialty retail	United States
Rent-A-Center, Inc.	Specialty retail/consumer finance	United States, Canada, Latin America, Puerto Rico
Sally Beauty Holdings, Inc.	Specialty retail	North America, Latin America, Europe

The 2018 Peer Group was consistent with the Company's previous peer group used in 2017 except for the removal of specialty retailer Outerwall, Inc., which became private as a result of its acquisition by Apollo Group, and replaced through the addition of Big Lots, Inc., a U.S.-based specialty retailer which focuses on cash constrained and value-conscious customers.

The table below, based on data compiled by Pay Governance as of December 31, 2017, shows a comparison of FirstCash's relative percentile rank on market cap and revenues to the 2018 Peer Group:

	2018 Peer Group Percentile
Market Cap	58 th
Revenues	36 th
Assets	38 th

In setting the target pay for the 2018 compensation program, the Committee relied on a benchmarking analysis prepared by Pay Governance, which indicated the CEO's target compensation was at the 43^d percentile of the target pay of the 2018 Peer Group.

Role of the CEO in Executive Compensation Decisions

The Company's CEO works closely with the Compensation Committee, providing his assessment and recommendations on the competitiveness of the programs and the performance of the other NEOs and makes recommendations for consideration pertaining to the compensation of the NEOs. The Compensation Committee takes these recommendations into consideration and either approves or works with the CEO to develop suitable proposals. The CEO does not, however, participate in discussions and decisions about his own compensation.

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2018 Say on Pay Vote

At the Company's 2018 Annual Meeting of Stockholders, the stockholders approved the compensation of the NEOs with 96% of the votes cast in favor of the Company's compensation programs. Additionally, the Company's senior executives meet regularly with significant stockholders, and during 2018 did not receive substantive comments or inquiries regarding concerns around the compensation programs. Given the strong stockholder support for the Company's compensation programs evidenced by the 2018 say on pay vote and the lack of direct comment from stockholders, the Company did not engage in a specific outreach program with stockholders regarding changes to its executive compensation program. Future advisory votes on executive compensation will serve as an additional tool to guide the Board of Directors and the Compensation Committee in evaluating the alignment of the Company's executive compensation program with the interests of the Company and its stockholders.

Elements of Compensation

The Company's principal focus is on total direct compensation, which includes a smaller guaranteed portion and a larger at-risk portion. The types of compensation paid to the NEOs currently consists of salary, annual performance-based cash incentives, annual cash bonuses to NEOs other than the CEO, COO and CFO, and long-term incentive compensation (primarily in the form of performance-based restricted stock units as well as time-based restricted stock units for NEOs other than the CEO, COO and CFO).

The following table summarizes the key elements of compensation for the CEO, COO and CFO:

	Base Salary	Annual Performance Incentive Plan ("APIP")	Long-Term Incentive Plan ("LTIP")
Form of compensation	Cash	Cash	Equity — Performance-Based Restricted Stock
Type	Fixed	Performance-based	Performance-based
Purpose	Fixed pay	Drive short-term performance	Drive long-term performance, align management interests with those of stockholders and promote retention
Performance period	Ongoing	1 year	3 years
Performance measures	N/A	Financial Metrics (adjusted earnings per share, adjusted EBITDA, Latin America operations segment revenue/net revenue growth)	Financial Metrics (adjusted net income, store growth)
Payment/grant date	Ongoing	Paid annually, typically in January, for prior year performance	Shares generally vest in January following a three-year cumulative performance period
Performance determination	Based in part on individual performance, experience and expertise	Formulaic	Formulaic

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“At-Risk” Pay Mix

A significant portion of the compensation for the Company’s NEOs is in the form of at-risk variable compensation. The Company believes this appropriately aligns the interests of its NEOs with those of its stockholders. For the CEO, COO and CFO, the only significant element of fixed compensation is their salary. All annual cash awards and all equity awards are variable under objective, performance-based plans. The Company does not grant time vested awards to these individuals nor does it provide for other supplemental retirement plans or other non-qualified plans, which are typically not performance-based.

For 2018, the Compensation Committee increased the percentage of the CEO’s target compensation tied to long-term performance incentives, which in turn reduced the percentage of compensation tied to salary and short-term incentives and better aligns CEO and stockholder interests. The mix of compensation elements at target award levels for the CEO used in 2017 and 2018 are as follows:

Salary

The Company offers what it believes to be competitive salaries to its NEOs. The salary must be sufficient to attract and retain talented executives and provide a secure base of cash compensation. In addition, salary levels for the Company’s NEOs are set at levels the Compensation Committee believes to be, based on its general business experience and review of peer company data, competitive in relation to the salary levels of executive officers in the Company’s peer group, taking into consideration the NEO’s position, tenure, responsibility and need for special expertise.

Annual salary increases, typically determined in January of each year, are not assured for the three most senior NEOs and adjustments to salaries take into account subjective factors such as the executive’s performance against job expectations, changes in the market and increased job responsibilities and experience.

In setting the CEO’s salary, in particular, the Compensation Committee believes that Mr. Wessel’s long tenure with the Company and significant complexity of operating over 2,500 pawn locations in five countries warrant a salary above the median for the peer group. For 2018, the CEO’s salary was \$1,175,000, compared to 1,075,000 in 2017. Including the 9% increase in 2018, the compound annual growth rate in the CEO’s salary over the past five years was 4%. The average salary increase in 2018 for the other NEOs was 5%.

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Short-Term Incentive Compensation

The Company's short-term incentive plans for the NEOs are intended to drive annual operating and financial results deemed crucial to the Company's success.

Annual Performance Incentive Plan - For 2018, the CEO, COO and the CFO were granted opportunities to earn annual incentive compensation through the APIP. The APIP provides for the payment of annual cash incentive compensation based upon the achievement of performance goals established annually by the Compensation Committee, based on specified objective performance measures.

To determine amounts earned under the APIP, the Compensation Committee measures the performance of the Company against an annual business plan prepared by management and reviewed and approved by the Board of Directors at the beginning of the year. The Company's level of achievement of the performance goals set forth in the annual business plan, which are inclusive of estimated stock repurchases, will result in the payment of a cash incentive award equal to a percentage of the salary of the participating NEO. The performance goals are approved by the Compensation Committee and designed to reinforce the Company's focus on profitability and enhancement of long-term stockholder value. The participants may earn annual cash incentives between 0% and a stated maximum percentage of their respective salary, as set forth in the following table. The range of percentages for each participating NEO are based on the scope of the officer's responsibilities, internal pay equity among participating NEOs with similar responsibilities and competitive considerations, and are reviewed annually by the Compensation Committee.

For 2018, the Compensation Committee established the following performance measures for the APIP:

- Adjusted earnings per share
- Adjusted EBITDA
- Growth in Latin America operations segment revenue or net revenue (on a constant currency basis)

The following table sets forth the weighting of each performance measure and each participant's threshold, target and maximum payout opportunities, as a percentage of their salary, for each performance measure:

	Diluted Adjusted Earnings Per Share (1)		Adjusted EBITDA (1)		Latin America Operations Segment Revenue/Net Revenue Growth (1) (2)		Total	
	CEO	COO/CFO	CEO	COO/CFO	CEO	COO/CFO	CEO	COO/CFO
Weighting	35%		35%		30%		100%	
Threshold (3)	21.0 %	17.5 %	21.0 %	17.5 %	18.0%	15.0 %	18 %	15 %
Target	52.5 %	43.8 %	52.5 %	43.8 %	45.0%	37.5 %	150%	125 %
Maximum	105.0%	70.0 %	105.0%	70.0 %	90.0%	60.0 %	300%	200 %

(1) See the detailed reconciliation of non-GAAP financial measures in Appendix A.

Actual performance is determined based on the greater of Latin America operations segment total

(2) revenue or net revenue growth. The Compensation Committee provided for the greater of the two targets to achieve the performance measure given the rigor of the performance goals.

(3) No award is earned if actual performance is less than this threshold amount.

The Compensation Committee believes the nature and mix of these performance measures provides an appropriate mix of short-term targets directed primarily at earnings growth (adjusted earnings per share and adjusted EBITDA). The adjusted earnings per share performance measure represents the performance metric which the Compensation Committee believes most impacts stockholder returns over a one-year period. The adjusted EBITDA performance measure is also focused on the achievement of earnings growth, but excludes the impact of share repurchases, financing activities and tax strategies, resulting in a pure measure of core operating profitability. The Latin America revenue or net revenue performance measure is focused on growth in what the Company believes is its most significant and key growth market, and where it has focused much of its store opening and acquisition activity.

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In setting the performance goals for the 2018 APIP, the Compensation Committee considered the following estimated impacts of 2018 share repurchases, foreign currency translation and the expected decline in earnings from non-core consumer lending activities on the adjusted earnings per share and adjusted EBITDA performance measures:

The adjusted earnings per share goal for 2018 included an estimated accretive impact on earnings of approximately \$0.02 per share as a result of 2018 share repurchases.

In setting the performance goals for the adjusted earnings per share and adjusted EBITDA performance measures, the Compensation Committee considered the estimated impacts of currency translation. In 2018, 31% of the Company's total revenues were from operations in Latin America, primarily in Mexico, where the functional currency is the Mexican peso. As a result, changes in the value of the Mexican peso against the U.S. dollar can significantly impact the Company's U.S. dollar-reported revenues and earnings. The Company does not believe it is appropriate to hedge its foreign currency exposure as it does not repatriate foreign profits back to the U.S. Rather, the Company uses its foreign earnings and cash flows to fund the opening and acquisition of new stores in these foreign markets. The actual average exchange rate for the Mexican Peso was 18.9 to 1 in 2017. At the time the 2018 earnings targets were established, the Company forecast an average exchange rate of 20.0 to 1 for 2018, which implied an earnings reduction of \$0.08 to \$0.10 per share in 2018. In setting the target for Latin America operations segment revenue or net revenue performance, the measure was established on a constant currency basis, and accordingly, is not impacted by foreign currency translation.

The Company continues to de-emphasize consumer lending operations because of increasing internet-based competition and regulatory constraints which have led to expected declines in earnings from the Company's non-core consumer lending operations. The Company's operating plan for 2018 reflected expected strategic reductions in its consumer lending operations, which translated into an expected decline of \$0.14 to \$0.17 per share.

The estimated impacts of 2018 share repurchases, foreign currency translation and the expected decline in earnings from non-core consumer lending activities on the adjusted earnings per share and adjusted EBITDA performance measures are as follows (dollars in thousands except per share amounts):

	Adjusted Earnings Per Share			Adjusted EBITDA			
	Threshold ⁽¹⁾	Target	Maximum	Threshold ⁽¹⁾	Target	Maximum	
Stated 2018 APIP performance goals	\$3.10	\$3.25	\$3.50	\$252,000	\$262,000	\$278,000	
Considered adjustments:							
Estimated impact from 2018 share repurchases	(0.02)	(0.02)	(0.02)	—	—	—	
Estimated currency translation headwind ⁽²⁾	\$0.09	\$0.09	\$0.09	\$5,986	\$5,986	\$5,986	
Estimated non-core consumer lending contraction ⁽²⁾	\$0.16	\$0.16	\$0.16	\$10,099	\$10,099	\$10,099	
Adjusted 2018 APIP performance goals	\$3.33	\$3.48	\$3.73	\$268,085	\$278,085	\$294,085	
Adjusted growth rate 2018 vs 2017 ⁽³⁾	22	% 27	% 36	% (2)% 2	% 8	%

⁽¹⁾ No award is earned if actual performance is less than this threshold amount.

- (2) Amount represents the mid-point of the range provided in the Company's February 2018 press release in the Form 8-K dated February 1, 2018.
- (3) Actual adjusted earnings per share in 2017 was \$2.74 and actual adjusted EBITDA was \$273.2 million in 2017.

The Compensation Committee believes that after considering the adjustments to the adjusted earnings per share and adjusted EBITDA performance measures as detailed herein, the growth rates for the 2018 performance goals represented a significant degree of rigor.

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The following table sets forth the performance goals for each of the 2018 APIP performance measures, the actual performance achieved and the related percentage of each participant's salary earned (dollars in thousands except per share amounts):

Performance Measure	Performance Goals			2018 Actual Performance	Percent of Base Salary Earned		
	Threshold (1)	Target	Maximum		CEO	COO/CFO	
Adjusted diluted earnings per share	\$3.10	\$3.25	\$3.50	\$3.53	105 %	70 %	%
Adjusted EBITDA	\$252,000	\$262,000	\$278,000	\$284,156	105 %	70 %	%
Latin America operations segment revenue (constant currency)	7	% 10	% 15	% 16	% 90	% 60	%
Total percent of salary earned					300 %	200 %	%

(1) No award is earned if actual performance is less than this threshold amount.

The Compensation Committee believes the payouts earned under the 2018 APIP appropriately reflect the Company's strong operating results.

For the two primary performance measures, adjusted earnings per share and adjusted EBITDA, the Company achieved 109% and 108% of the target amount, respectively. The actual 2018 performance exceeded the upper end of Company's initial earnings guidance ranges for both adjusted earnings per share and adjusted EBITDA. The performance, which was primarily the result of significantly greater earnings contributions from core pawn operations, was partially offset by greater than projected earnings declines from non-core consumer lending operations. The Company believes the 2018 earnings results contributed significantly to the out-performance of the Company's stock compared to market indices during 2018.

In considering actual 2018 earnings performance results compared directly to the projected adjustments discussed above for 2018 share repurchases, foreign currency translation and the expected decline in earnings from non-core consumer lending activities, the Company noted the following:

Share repurchases in 2018 resulted in earnings per share accretion of approximately \$0.02 per share, which equaled the estimate.

The 2018 average exchange rate of 19.2 pesos / dollar negatively impacted earnings per share by \$0.02 when compared to the 2017 average exchange rate of 18.9 pesos / dollar, which compared favorably to a projected impact \$0.09 per share.

Declines in the Company's non-core consumer lending operations resulted in a negative impact of approximately \$0.26 per share compared to 2017, primarily due to the Company more aggressively closing consumer loan stores and discontinuing ancillary unsecured consumer loan products in certain pawnshops, which compared negatively to the estimate of \$0.16 per share.

The combined realized impact of these discrete adjustments negatively impacted earnings by \$.26 per share compared to the projected impact of \$0.23 provided in the goals.

For the third performance measure, constant currency revenues in the Latin America operations segment increased 16%, driven by same-store revenue growth of 6% and the addition of 418 stores in Latin America through de novo store opening or acquisitions. This result significantly exceeded the expected revenue growth implied from the Company's original 2018 earning guidance. The Company believes the store additions and increasing revenue in its most significant growth market is key to further earnings expansion.

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The Compensation Committee believes stockholders shared in the growth and strong performance as demonstrated by the 8% total stockholder return in 2018, especially when compared to the returns of the Russell 2000 index and 2018 Peer Group as shown below:

As a result, the Compensation Committee believes the levels of compensation delivered to the most senior executives under the APIP plan reflects appropriate pay levels given the performance during 2018.

Cash Bonuses - The Company has rarely paid a discretionary bonus to the three most senior executives participating in the APIP and no discretionary cash bonuses were awarded to any APIP participant since 2013. The Compensation Committee does not intend to make discretionary payments to the CEO, COO or CFO in the future. Annual cash bonuses may be paid to certain other NEOs and other employees to reflect the breadth of their expertise and responsibility, achievement of certain financial or strategic results and to make the cash component of compensation competitive with that of the Company's peers. While the Company maintains broad discretion to vary overall cash compensation for a given year by varying the amount, if any, of such cash bonuses, these bonuses are typically determined by evaluating financial and strategic targets such as revenues, operating profits and margins and store additions, among other criteria, in a manner similar to the most senior executives. These cash bonuses may reflect a material part of the NEOs' overall compensation, with payments commensurate with the executive's position, responsibilities and individual and overall Company performance. Annual cash bonuses paid to other NEOs are reviewed and approved by the Compensation Committee based on the CEO's recommendation. The 2018 cash bonus awards to NEOs consisted of \$800,000 to Mr. Ramos and \$400,000 to Ms. Alvarado.

Long-Term Incentive Compensation

The Company makes annual equity awards to its NEOs and certain other employees to provide incentive for them to achieve targeted levels of financial performance and stay with the Company over the long term, and align their interests with those of the Company's stockholders. These equity awards also provide additional flexibility to the Compensation Committee to reward superior performance by NEOs and certain other employees.

The Compensation Committee has established an LTIP for the CEO, COO and CFO. Performance-based restricted stock units granted under the LTIP vest over multi-year periods, contingent upon the Company attaining defined performance goals. The Compensation Committee certifies the attainment of the performance goals upon completion of the respective performance periods, and any earned shares are distributed to participants following the end of such performance periods. The grants have specific rules related to the treatment of the awards in the event of termination for cause, voluntary resignation, retirement, involuntary termination and change in control, which are described later under "Summary of Potential Payments Upon Termination or a Change in Control."

The date of grant for all equity awards granted is the date of Compensation Committee approval. The Company does not have a program, plan or practice of timing the grant of equity awards in coordination with the release of material non-public information. The Company believes all such equity grants as described herein align the executives' interests with those of the Company's stockholders.

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2018 Performance-Based Restricted Stock Units Granted Under the LTIP - In 2018, performance-based restricted stock units were granted under the LTIP to the CEO, COO and CFO. The shares vest at the end of a three-year cumulative performance period beginning on January 1, 2018 and ending on December 31, 2020. To determine the number of restricted stock awards that vest under the LTIP, the Compensation Committee measures the three-year cumulative performance of the Company against three-year cumulative performance goals approved by the Compensation Committee in the first quarter of the year of the initial grant. The Company's level of achievement of the performance goals set forth in the three-year cumulative performance period will result in the vesting of restricted stock awards between zero and a stated maximum number of shares on December 31, 2020. The performance goals are designed to reinforce the Company's focus on profitability and enhancement of long-term stockholder value. The range of percentages for each participating executive officer are based on the scope of the officer's responsibilities, internal pay equity among participating executive officers with similar responsibilities and competitive considerations and are reviewed annually by the Compensation Committee.

For 2018, the Compensation Committee established the following performance measures for the LTIP award program:

- Adjusted net income
- Store additions

The Compensation Committee believes adjusted net income and store additions are proper metrics to use for long-term performance evaluation. Cumulative net income over a three-year period would likely be closely followed by stockholders and have an impact on long-term stockholder returns. By definition, the adjusted net income measure includes all normal and recurring operating expenses, including financing costs, while excluding any potential benefit from share repurchases. The growth in store locations is considered a key driver of future long-term revenue and profitability growth. Almost all of the Company's customers access the Company's products and services directly from neighborhood-based retail locations. Accordingly, store growth, from both acquisitions and new store openings, is critical for accessing new customers in new and expanding markets. The Compensation Committee does not utilize relative performance measures in the LTIP program due to the very limited number of direct peer companies in the pawn industry.

The following table sets forth each participant's threshold, target and maximum stock grant opportunities available for each of the 2018 LTIP performance measures:

Participant	Adjusted Net Income			Store Additions			Total		
	Threshold	Target	Maximum	Threshold	Target	Maximum	Threshold	Target	Maximum
CEO	4,000	16,000	24,000	6,000	24,000	36,000	4,000	40,000	60,000
COO	1,400	5,600	8,400	2,100	8,400	12,600	1,400	14,000	21,000
CFO	1,400	5,600	8,400	2,100	8,400	12,600	1,400	14,000	21,000

The following table sets forth each participant's target payout opportunity based on the grant date fair value of the awards available for each of the 2018 LTIP performance measures:

Participant	Adjusted Net Income	Store Additions	Total
CEO	\$1,170,400	\$1,755,600	\$2,926,000
COO	409,640	614,460	1,024,100
CFO	409,640	614,460	1,024,100

Adjusted Net Income Goal - The cumulative three-year performance goal for adjusted net income is based on target net income for 2018 (consistent with target profitability metrics utilized in the APIP) with increases in 2019 and 2020 based on a long-term earnings growth rate established by the Compensation Committee. The Compensation Committee established the adjusted net income goal to ensure alignment with the Company's long-term internal targets for revenue and earnings growth, while also balancing the risk of over-incentivizing growth.

Store Addition Goal - The cumulative three-year performance goal for store additions is based on the store additions budgeted for 2018 with increases in 2019 and 2020 based on a long-term store growth formula established by the Compensation Committee. The Compensation Committee established the store addition goal to ensure alignment with the Company's long-term internal targets for revenue and earnings growth, while also balancing the risk of over-incentivizing growth.

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Pending acquisition activity is a consideration when setting cumulative store addition targets if such pending acquisitions have a high degree of certainty for closing. Over the past few years, the Company has targeted to add approximately 75 stores per year, net of pending acquisitions. While acquisitions are included in the store additions, they typically decrease the number of de novo store openings during the integration period following an acquisition because of the increased effort required to staff and integrate the newly-acquired stores into the Company's internal systems. When the cumulative targets for the 2018 award cycle were set by the Compensation Committee, there were no pending acquisitions with a high degree of certainty for closing.

LTIP Historical Vesting - In conjunction with the Merger, the Compensation Committee modified the LTIP by implementing certain enhancements to restricted stock units granted in 2017 and thereafter. These changes included, among other things, establishing a three-year cumulative performance measurement period to replace prior years' series of stacked one-year performance periods as well as providing for a range of vesting outcomes (i.e., a performance range between defined threshold and maximum performance parameters) versus the prior years' single point outcomes (i.e., either the target performance was met and shares vested or the target performance was not met and no shares vested). As a result, restricted stock unit awards granted post-Merger have not met the three-year cumulative performance measurement period and the Compensation Committee cannot yet assess the rigor in setting the long-performance goals for post-Merger grants. However, 42% of restricted stock units granted in the three years prior to the Merger (2013, 2014 and 2015 grants) were forfeited as a result of not meeting the respective long-term performance goals. The Compensation Committee believes the historical forfeiture levels under the LTIP demonstrate an appropriate level of historical rigor in setting the long-term performance goals and believes the 2018 performance goals represented a significant degree of rigor.

In 2016, the CEO and CFO were granted awards of performance-based restricted stock under the LTIP (30,000 shares to the CEO and 10,000 shares to the CFO), which vest in four equal annual installments based on the attainment of an annual performance target of adjusted EBITDA. The adjusted EBITDA target for each of the annual vesting periods was set by the Compensation Committee in early 2016, which was prior to the Merger. Actual 2018 adjusted EBITDA was \$284 million compared to the 2018 target of \$149 million, and accordingly, 100% of the shares available for vesting in 2018 were earned. The COO did not participate in this grant as it was made prior to the Merger, when he joined FirstCash.

2018 Other Restricted Stock Unit Awards - During 2018, the Company also granted a total of 4,000 shares of time-based restricted stock units to two of the NEOs of the Company (Mr. Ramos and Ms. Alvarado). While the Company maintains broad discretion over time-based grants, these grants are typically determined by evaluating financial and strategic targets such as revenues, operating profits and margins and store additions, among other things, with grants commensurate with the NEO's position, responsibilities and individual and overall Company performance. These time-based awards vest ratably on an annual basis beginning in January 2019 and become fully vested in January 2023. The grants have specific rules related to the treatment of the awards in the event of termination for cause, voluntary resignation, retirement, involuntary termination and change in control.

Compensation Plan Actions for 2019

As a result of the continued efforts to improve its pay practices, the Company has made certain changes in its compensation programs and practices beginning in 2019. Based on recommendations by Pay Governance and the Compensation Committee, the following changes were approved and implemented for the executive compensation plans in 2019:

In an effort to further align the pay mix with the market, the Committee increased the performance-based restricted stock unit component of pay for the CEO, COO & CFO. Specifically,

Salaries in 2019 remained unchanged from 2018 salary levels for the CEO, COO and CFO;
Target and maximum payout opportunities under the cash-based APIP for 2019 remained unchanged from 2018;
The only increase in target compensation will be derived from the LTIP awards.

The following chart compares the resulting target pay mix for the CEO in 2019 compared to the prior years:

CEO Pay Mix	2017	2018	2019
Salary	22%	20%	18%
APIP	33%	30%	27%
LTIP	45%	50%	55%

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Additional changes in the compensation program for 2019 include:

The three performance measures for the APIP were modified to give heavier weight to earnings measures with adjusted EPS and adjusted EBITDA each weighted at 40% for a total of 80%, as compared to 70% in 2018, while Latin America segment operations revenue growth will be weighted at 20% compared to 30% in 2018;

A third performance measure, growth in constant currency core pawn revenue (retail merchandise sales and pawn fees) was added to the LTIP;

The three LTIP performance measures were weighted as follows: Net income 40%, pawn revenue growth 40% and store openings 20%; and

The store addition target in the LTIP was modified to measure only de novo store openings, rather than total store additions.

Perquisites and Personal Benefits

Certain NEOs received additional remuneration consistent with the Company's approach to hiring and retaining key personnel. Such perquisites include matching contributions to 401(k) accounts, health insurance, life insurance, disability insurance, automobile allowances, club memberships and certain opportunities to travel using the Company's aircraft.

The Company does not provide supplemental non-qualified retirement plans to any of its executives and no executive other than the CEO received more than \$10,000 in perquisites and personal benefits.

The aggregate incremental cost to the Company during 2018 of such benefits is reflected in the Summary Compensation Table below.

Anti-Hedging Policy

The Company's insider trading policy prohibits all of its directors, officers and employees from engaging in "short sales" or "sales against the box" or trading in puts, calls, warrants or other derivative instruments on the Company's securities. The Board of Directors believes this prohibition further aligns the interests of directors and executives with those of stockholders, facilitates compliance with insider-trading and other applicable laws, and aids in preventing directors and executives from subjecting themselves to an actual or potential conflict of interest with the Company or creating the appearance of such a conflict.

Executive Stock Ownership and Retention Guidelines

The Company's Board of Directors has adopted stock ownership guidelines pursuant to which all NEOs are expected to own shares of Company stock, or hold unvested time-based restricted stock awards, equal in total to a multiple of the NEO's salary, as follows:

Participant	Target Multiple	Current Multiple as of April 18, 2019
Rick L. Wessel, CEO	5 x Salary	60.8 x Salary
T. Brent Stuart, COO	3 x Salary	1.0 x Salary
R. Douglas Orr, CFO	3 x Salary	19.5 x Salary
Raul R. Ramos, SVP Latin American Operations	1 x Salary	3.8 x Salary

Anna M. Alvarado, General Counsel

1 xSalary 1.6 xSalary

Until an executive has satisfied the stock ownership guidelines, they are required to retain 75% of the after-tax shares received upon the exercise or vesting of equity incentive awards. Furthermore, any sales of Company stock by an executive will be permitted only to the extent the executive will continue to meet the guidelines immediately following such sale. NEOs have five years after they first become eligible for the executive stock ownership guidelines to achieve the target multiple. Those NEOs above who have not yet achieved their respective target multiples are still within the five-year period.

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Clawback Policy

The Company's Board of Directors has adopted an executive compensation recovery, or "clawback," policy that applies to all NEOs in the event the Company is required to restate its financial statements. The Compensation Committee may seek recovery of any short- or long-term incentive payment or award granted to executive officers during the three years preceding such restatement where (1) the payment or award grant was calculated based on achievement of the misstated financial results; (2) the Board of Directors determines the executive engaged in intentional misconduct that materially contributed to the need for the restatement; and (3) a lower payment or award grant would have been made to the executive based upon the restated financial results.

In addition, if the Company is required, as a result of misconduct, to restate its financial results due to its material noncompliance with any financial reporting requirements under the federal securities laws, its CEO and CFO may be legally required to reimburse the Company for any bonus or other incentive-based compensation they received pursuant to the provisions of Section 304 of the Sarbanes-Oxley Act of 2002.

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public corporations for compensation greater than \$1 million paid for any year to the chief executive officer or chief financial officer (at any time during the year), and the three other most highly compensated executive officers (as of the end of any year). Prior to the enactment of the Tax Cuts and Jobs Act ("Tax Act") in December 2017, certain types of performance-based compensation were excluded from the \$1 million deduction limit if specific requirements were met. Under the Tax Act, this special exclusion for performance-based compensation was eliminated with respect to taxable years beginning after December 31, 2017 with certain limited grandfathered exceptions. As a result of the enactment of the Tax Act, compensation to certain NEOs in excess of \$1 million will generally not be tax deductible beginning with the year ending December 31, 2018.

The Compensation Committee, where possible and considered appropriate, strives to preserve corporate tax deductions, including the deductibility of compensation to NEOs, although tax deductibility is not the primary factor used by the Compensation Committee in setting compensation and will become less of a factor used by the Compensation Committee considering the changes made to Section 162(m) of the Code as provided in the Tax Act. The Compensation Committee also reserves flexibility where it is deemed necessary and in the best interests of the Company and its stockholders to continue to attract and retain the best possible executive talent, to approve compensation arrangements that are not necessarily fully tax deductible to the Company. While the Compensation Committee expects it will provide for compensation that will not be deductible under Section 162(m) of the Code, it will continue to structure the executive compensation program so that a significant portion of total executive compensation is linked to the performance of the Company.

Compensation Committee Report

The Compensation Committee of the Company has reviewed and discussed the "Compensation Discussion and Analysis" set forth above with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the "Compensation Discussion and Analysis" be included in this Proxy Statement and incorporated by reference into the Company's Annual Report on Form 10-K.

Members of the Compensation Committee:

Randel G. Owen

Mikel D. Faulkner

James H. Graves

The Compensation Committee report above does not constitute “soliciting material” and will not be deemed “filed” or incorporated by reference into any of the Company’s filings under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference herein.

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Summary Compensation Table

The table below summarizes the total compensation paid or earned by the 2018 NEOs for the years ended December 31, 2018, 2017 and 2016.

Name and Principal Position	Year	Salary \$	Bonus \$	Stock Awards \$ ⁽¹⁾	Non- Equity Incentive Plan	All Other	Total \$
					Compen- sation \$ ⁽²⁾	Compen- sation \$ ⁽³⁾	
Rick L. Wessel, Vice-Chairman, Chief Executive Officer	2018	1,175,000	—	2,926,000	3,525,000	178,440	7,804,440
	2017	1,075,000	—	2,144,423	2,825,945	126,631	6,171,999
	2016	1,050,000	—	1,378,000	3,675,000	103,210	6,206,210
T. Brent Stuart, President, Chief Operating Officer ⁽⁴⁾	2018	725,000	—	1,024,100	1,450,000	—	3,199,100
	2017	700,000	—	965,000	1,270,075	—	2,935,075
	2016	183,000	—	—	—	12,182	195,182
R. Douglas Orr, EVP, Chief Financial Officer, Secretary, Treasurer	2018	675,000	—	1,024,100	1,350,000	—	3,049,100
	2017	650,000	—	965,000	1,179,356	—	2,794,356
	2016	500,000	—	459,000	1,250,000	—	2,209,000
Raul R. Ramos, SVP Latin American Operations	2018	420,000	800,000	73,150	—	—	1,293,150
	2017	400,000	625,000	44,250	—	—	1,069,250
	2016	355,000	550,000	—	—	—	905,000
Anna M. Alvarado General Counsel	2018	500,000	400,000	219,450	—	—	1,119,450
	2017	450,000	350,000	88,500	—	—	888,500

Amounts represent the aggregate grant date fair value determined in accordance with FASB ASC Topic 718 of restricted stock awards granted under the terms of the Company's LTIP, which are described in the "Long-Term Incentive Compensation" section of the "Compensation Discussion and Analysis" above. For

(1) performance-based awards issued to the CEO, COO and CFO, the grant date fair value was determined by multiplying the number of shares that would be issued based upon achievement of the target award by the closing market price of the Company's Common Stock on the date of the grant. Assuming the performance measures for the 2018 performance grants would be achieved at maximum levels, the grant date fair value of the awards would be \$4,389,000 for the CEO and \$1,536,150 for the COO and CFO.

Amounts represent cash incentive awards earned under the terms of the Company's APIP. The APIP (2) provides for the payment of annual cash incentive compensation based upon the achievement of performance goals established annually by the Compensation Committee based on one or more specified performance criteria, as more fully described in the "Compensation Discussion and Analysis" above.

The Company provides the NEOs with certain group life, health, medical, and other noncash benefits (3) generally available to all salaried employees that are not included in this column pursuant to SEC rules. As permitted by SEC rules, no amounts are shown in this table for perquisites and personal benefits for any individual NEOs for whom such amounts do not exceed \$10,000 in the aggregate.

Mr. Wessel's all other compensation for 2018 includes matching contributions under the First Cash 401(k) Profit Sharing Plan of \$6,875, an automobile allowance of \$7,621, reimbursement for dues at a country club in the amount of \$22,057, Company-paid health insurance premiums in the amount of \$7,550, allowance for tax preparation fees of \$3,000 and personal use of the corporate aircraft of \$131,337. The incremental cost of the personal use of the corporate aircraft was determined on a per flight and/or hours used basis based on variable costs associated with personal flight activity. The variable costs used in the calculation included fuel, crew compensation and travel, certain maintenance and repair expenses, related unoccupied positioning, or "deadhead," flights, landing/parking and supplies.

Mr. Stuart joined the Company in September 2016, in conjunction with the Merger, as the president and chief operating officer. Prior to that, Mr. Stuart served as Cash America's president and chief executive officer. While employed with Cash America during the period from January 1 through August 31, 2016, Mr. Stuart earned a salary of \$367,000, a performance-based short-term incentive award of \$1,100,000 under the terms of Cash

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America's short-term incentive plan (based on the achievement of certain financial objectives of Cash America through the date of the Merger) and primarily performance-based restricted stock awards granted under the terms of Cash America's long-term incentive plan with an aggregate grant date fair value, determined in accordance with FASB ASC Topic 718, of \$826,246 (based on the targeted attainment metrics of the performance-based awards). For a description of Cash America's short- and long-term incentive plans, see Cash America's proxy statement on Schedule 14A filed with the SEC on April 7, 2016.

Grants of Plan-Based Awards for 2018

The following table provides information regarding individual grants of plan-based awards to the NEOs during 2018. Except as set forth below, there were no other grants of equity or non-equity awards to NEOs during 2018.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (4)	All Other Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (5)
		Threshold (3) (\$)	Target (\$)	Maximum (\$)	Threshold (3) (#)	Target (#)	Maximum (#)				
Wessel	—	212,000	1,763,000	3,525,000	—	—	—	—	—	—	
	Jan. 30, 2018	—	—	—	4,000	40,000	60,000	—	—	2,926,000	
Stuart	—	109,000	906,000	1,450,000	—	—	—	—	—	—	
	Jan. 30, 2018	—	—	—	1,400	14,000	21,000	—	—	1,024,100	
Orr	—	101,000	844,000	1,350,000	—	—	—	—	—	—	
	Jan. 30, 2018	—	—	—	1,400	14,000	21,000	—	—	1,024,100	
Ramos	Jan. 30, 2018	—	—	—	—	—	—	1,000	—	73,150	
Alvarado	Jan. 30, 2018	—	—	—	—	—	—	3,000	—	219,450	

Amounts represent threshold, target and maximum potential payouts under the terms of the APIP, which is described in the “Short-Term Incentive Compensation” section of the “Compensation Discussion and Analysis” above. The actual payouts awarded under the terms of APIP were \$3,525,000, \$1,450,000 and \$1,350,000 to Messrs. Wessel, Stuart and Orr, respectively, and such amounts are reflected in the “Summary Compensation Table” above.

(1)

Amounts represent the number of shares granted and which may be earned under the LTIP, which is described in the “Long-Term Incentive Compensation” section of the “Compensation Discussion and Analysis” above. The awards for Messrs. Wessel, Stuart and Orr vest at the end of a cumulative three-year period ending on December 31, 2020 and therefore, none of the awards have vested.

(2)

(3) No award is earned if actual performance is less than this threshold amount.

(4) The awards for Mr. Ramos and Ms. Alvarado vest ratably over time beginning in January 2019 and become fully vested in January 2023.

(5) Amount represents the grant date fair value based on the target award for equity incentive plan awards.

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Outstanding Equity Awards as of December 31, 2018

The following table provides information on the holdings of stock options and stock awards by the NEOs as of December 31, 2018. Each outstanding option and stock award is shown separately for each NEO.

Name	Option Awards					Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ⁽⁷⁾ (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested ⁽⁷⁾ (#)	Equity Incentive Plan Awards: Market or Value of Unearned Shares, Units or Rights That Have Not Vested ⁽⁷⁾ (\$)	
Wessel	—	—	—	—	—	—	—	7,500 ⁽²⁾ 44,444 ⁽³⁾ 40,000 ⁽⁴⁾	542,625 3,215,523 2,894,000	
Stuart	—	—	—	—	—	—	—	20,000 ⁽³⁾ 14,000 ⁽⁴⁾	1,447,000 1,012,900	
Orr	—	—	—	—	—	—	—	2,500 ⁽²⁾ 20,000 ⁽³⁾ 14,000 ⁽⁴⁾	180,875 1,447,000 1,012,900	
Ramos	10,000 ⁽¹⁾ —	30,000 —	⁽¹⁾	38.00 —	11/2021 —	800 ⁽⁵⁾ 1,000 ⁽⁶⁾	57,880 72,350	— —	— —	
Alvarado	— —	— —	—	— —	— —	1,600 ⁽⁵⁾ 3,000 ⁽⁶⁾	115,760 217,050	— —	— —	

⁽¹⁾ Option award granted in 2011. Vesting is time-based with 10,000 shares vesting on July 1, 2018, 2019, 2020 and 2021, respectively.

⁽²⁾ The 2016 restricted stock awards granted under the LTIP to current NEOs consisted of 30,000 shares to the CEO and 10,000 shares to the CFO; 25% of the awards were eligible for performance-based vesting based upon achievement of performance measures in 2016, 2017, 2018 and 2019. The performance measure is defined as adjusted EBITDA growth over the comparative base period.

⁽³⁾

The 2017 restricted stock awards granted under the LTIP to current NEOs consisted of 44,444 shares to the CEO and 20,000 shares each to the COO and CFO based on the target award. The awards are eligible for performance-based vesting on December 31, 2019 upon the achievement of performance measures based on a three-year cumulative performance period. The performance measures are defined as adjusted net income growth and total store additions over the three-year cumulative period. If the performance measures for the 2017 restricted stock awards resulted in a maximum grant upon completion of the vesting period, the CEO would earn 66,667 shares and the COO and CFO would each earn 25,000 shares.

(4) The 2018 restricted stock awards granted under the LTIP to current NEOs consisted of 40,000 shares to the CEO and 14,000 shares each to the COO and CFO based on the target award. The awards are eligible for performance-based vesting on December 31, 2020 upon the achievement of performance measures based on a three-year cumulative performance period. The performance measures are defined as adjusted net income growth and total store additions over the three-year cumulative period. If the performance measures for the 2018 restricted stock awards resulted in a maximum grant upon completion of the vesting period, the CEO would earn 60,000 shares and the COO and CFO would each earn 21,000 shares.

(5) Restricted stock awards granted in 2017. Vesting is time-based with 20% scheduled to vest on February 8, 2018, 2019, 2020, 2021 and 2022.

(6) Restricted stock awards granted in 2018. Vesting is time-based with 20% scheduled to vest on January 30, 2019, 2020, 2021, 2022 and 2023.

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- (7) The market value of the unvested share awards is based on the closing price of the Company's Common Stock as of December 31, 2018, which was \$72.35.

Option Exercises and Stock Vested in 2018

The following table provides information for the NEOs regarding (1) the aggregate stock options exercised during 2018, including the number of shares acquired on exercise and the value realized, and (2) the aggregate number of shares acquired upon the vesting of restricted stock awards and the value realized, each before the payment of any applicable withholding tax and broker commissions:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise \$	Number of Shares Acquired on Vesting	Value Realized on Vesting \$ ⁽³⁾
Wessel	—	—	7,500 ⁽¹⁾	542,625
Stuart	—	—	—	—
Orr	—	—	2,500 ⁽¹⁾	180,875
Ramos	—	—	200 ⁽²⁾	14,160
Alvarado	—	—	400 ⁽²⁾	28,320

- (1) In 2016, the CEO was granted 30,000 shares and the CFO was granted 10,000 shares under the LTIP, which vest in four annual installments of 7,500 shares for the CEO and 2,500 shares for the CFO based on the attainment of an annual performance target of adjusted EBITDA. The adjusted EBITDA target for each of the annual vesting periods was set by the Compensation Committee in early 2016, which was prior to the Merger. Actual 2018 adjusted EBITDA was \$284 million compared to the 2018 target of \$149 million and, accordingly, 100% of the shares available for vesting in 2017 were awarded.

- (2) In 2017, the Company granted 1,000 and 2,000 shares of time-based restricted stock units to Mr. Ramos and Ms. Alvarado, respectively. These time-based awards vest ratably over time beginning in February 2018 and become fully vested in February 2022.

- (3) Value realized represents the value as calculated based on the price of the Company's Common Stock on the vesting date.

Pension Benefits

The Company does not have a defined benefit pension plan for its employees. The only retirement plan available to the NEOs was the Company's qualified 401(k) savings plan, which is available to generally all full-time U.S.-based employees.

Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation Plans

The Company does not have nonqualified defined contribution or other nonqualified deferred compensation plans for its employees or directors.

Employment Agreements and Change in Control Provisions

The Company and the Compensation Committee believe employment agreements are necessary in order to attract and retain key senior executives and, accordingly, the Company has entered into employment agreements with certain current NEOs. The Compensation Committee believes the employment agreements (and the change in control provisions included therein) entered into were merited in light of all relevant circumstances, including each individual's past employment experience, desired terms and conditions of employment and the strategic importance of their respective positions, including stability and retention. The Compensation Committee reviews the agreements at the time they are entered into in order to determine current market terms for the particular executive and agreement.

The Compensation Committee believes the change in control provisions are necessary in order to retain and maintain stability among the executive group and the terms of the change in control provisions are reasonable based on its review of the change in control provisions for similarly situated peer group companies. The change in control provisions in the employment agreements for certain NEOs provide for severance benefits only in the event of an involuntary termination of employment by the Company without "cause" or by the executive for "good reason," as such terms are defined in the employment agreements.

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The overall goal of the Compensation Committee is to ensure compensation policies are established consistent with the Company's strategic business objectives and provide incentives for the attainment of those objectives. This is affected in the context of a compensation program that includes base pay, annual and long-term incentive compensation and stock ownership.

Summary of Employment Agreements

CEO, COO & CFO Agreements:

In August 2016, the Company entered into new employment agreements with Messrs. Wessel, Stuart and Orr, the Company's CEO, COO and CFO, respectively. The terms of these employment agreements run through December 31, 2021. The Compensation Committee believes the longer term of these contracts are appropriate given the transformational impact of the Merger and the desire by the stockholders for continuity in the senior management team over the next several years. Additionally, the maximum severance payouts under these contracts are capped at one year's salary and average annual incentive for termination without cause or for good reason or two years of salary and average annual incentive for such termination following a change in control.

The employment agreements provided for annual salaries, to be effective as of January 1, 2017, in the following amounts: \$1,075,000 for Mr. Wessel, \$700,000 for Mr. Stuart and \$650,000 for Mr. Orr, in each case subject to annual review and increases in the discretion of the Compensation Committee. The executives are eligible to earn an annual incentive based on the satisfaction of performance criteria established by the Compensation Committee for each year during the term of the agreement, with a target incentive opportunity equal to not less than a specified percentage of the executive's then current salary (150% in the case of Mr. Wessel; 100% in the case of Messrs. Stuart and Orr). In addition, the executives are eligible for grants of stock-based awards under the Company's long-term equity compensation plan and will be eligible to participate in any of the Company's incentive, savings, retirement and welfare benefit plans available to other senior officers of the Company.

The employment agreements provide that if an executive's employment with the Company is terminated during the term by the Company without "cause" or by the executive for "good reason" (as such terms are defined in the employment agreements), the executive would be entitled to a lump sum cash severance payment equal to one times (or two times, if such termination occurs within twelve months following a change in control of the Company) the sum of (i) the executive's salary in effect as of the termination, and (ii) the average of the annual cash incentives earned by the executive for each of the three years immediately preceding the year in which the termination occurs. The executive would also be entitled to continue to participate in the Company's health and welfare benefit plans at active employee rates for a period of eighteen months (the "COBRA subsidy"). In addition, if such termination occurs within twelve months following a change in control of the Company, the executive would be entitled to a pro rata annual cash incentive for the year in which the termination occurs and accelerated vesting and full payout under all outstanding time-vesting and performance-based equity incentive awards (based on an assumed achievement of all relevant performance goals at "target" level, or based on a higher actual or deemed level of achievement of performance goals, in the sole discretion of the Compensation Committee). Furthermore, if such termination occurs within twelve months following a change in control of the Company, the Company will pay to the executive, in lieu of the COBRA subsidy described above, a lump sum in cash in an amount equal to the full monthly cost of the executive's health and welfare benefit coverage multiplied by 24.

The employment agreements prohibit the executives from competing with the Company during the employment term and for a period of 24 months following termination of employment. The executives

would also be prohibited from soliciting Company customers and recruiting Company employees during this period.

Other NEO Agreements:

In July 2018, the Company entered into new employment agreements with Mr. Ramos and Ms. Alvarado, the Company's Senior Vice President, Latin America Operations and General Counsel, respectively. The terms of these employment agreements run through December 31, 2021. The employment agreements provided for annual salaries, to be effective as of January 1, 2019, in the following amounts: \$420,000 for Mr. Ramos and \$500,000 for Ms. Alvarado, in each case subject to annual review and increases in the discretion of the Compensation Committee. The executives are eligible to earn an annual cash bonus based on the breadth of their expertise and responsibility and the achievement of certain financial or strategic results as determined by the Compensation Committee for each year during the term of the agreement, with a target cash bonus opportunity equal to not less than a specified percentage of the executive's then current salary (50% in the case of both Mr. Ramos and Ms. Alvarado). In addition, the executives are eligible for grants of stock-based awards under the Company's long-term equity compensation plan and will be eligible to participate in any of the Company's incentive, savings, retirement and welfare benefit plans available to other senior officers of the Company.

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The employment agreements provide that if an executive's employment with the Company is terminated during the term by the Company without "cause" or by the executive for "good reason" (as such terms are defined in the employment agreements), the executive would be entitled to a lump sum cash severance payment equal to 0.75 times (or 1.5 times, if such termination occurs within twelve months following a change in control of the Company) the sum of (i) the executive's salary in effect as of the termination, and (ii) the average of the annual cash incentives earned by the executive for each of the three years immediately preceding the year in which the termination occurs. The executive would also be entitled to continue to participate in the Company's health and welfare benefit plans at active employee rates for a period of twelve months (the "COBRA subsidy"). In addition, if such termination occurs within twelve months following a change in control of the Company, the executive would be entitled to a pro rata annual cash incentive for the year in which the termination occurs and accelerated vesting and full payout under all outstanding time-vesting and performance-based equity incentive awards (based on an assumed achievement of all relevant performance goals at "target" level, or based on a higher actual or deemed level of achievement of performance goals, in the sole discretion of the Compensation Committee). Furthermore, if such termination occurs within twelve months following a change in control of the Company, the Company will pay to the executive, in lieu of the COBRA subsidy described above, a lump sum in cash in an amount equal to the full monthly cost of the executive's health and welfare benefit coverage multiplied by 18.

The employment agreements prohibit the executives from competing with the Company during the employment term and for a period of 24 months following termination of employment. The executives would also be prohibited from soliciting Company customers and recruiting Company employees during this period.

Summary of Potential Payments Upon Termination or a Change in Control

The employment agreements provide for certain severance payments and other benefits in the event of the executive's termination of employment or a change in control of the Company. The following table summarizes the value of the severance payments and other benefits that each of the NEOs would receive if employment was terminated on December 31, 2018 under the circumstances shown. The amounts shown in the table do not include accrued but unpaid salary, earned annual incentives for 2018, or payments and benefits to the extent they are provided on a non-discriminatory basis to salaried employees generally upon termination of employment, such as distributions of plan balances under the Company's 401(k) plan, and death or disability benefits under the Company's generally available welfare programs.

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Name	Termination for Cause or Resignation without Good Reason \$	Termination without Cause or Resignation for Good Reason \$	Retirement \$	Death \$	Long-Term Disability \$	Termination without Cause or Resignation for Good Reason in Connection with a Change in Control \$
Wessel						
Cash Severance	—	3,682,568	—	—	—	\$7,365,137
Benefits Continuation	—	20,021	—	—	—	—
Lump sum payment for health benefits	—	—	—	—	—	26,695
Value of unvested equity awards	—	—	—	—	—	6,652,148
Total	—	3,702,589	—	—	—	14,043,980
Stuart						
Cash Severance	—	1,910,038	—	—	—	3,820,075
Benefits Continuation	—	25,282	—	—	—	—
Lump sum payment for health benefits	—	—	—	—	—	33,709
Value of unvested equity awards	—	—	—	—	—	2,459,900
Total	—	1,935,320	—	—	—	6,313,684
Orr						
Cash Severance	—	1,647,182	—	—	—	3,294,364
Benefits Continuation	—	25,282	—	—	—	—
Lump sum payment for health benefits	—	—	—	—	—	33,709
Value of unvested equity awards	—	—	—	—	—	2,640,775
Total	—	1,672,464	—	—	—	5,968,848
Ramos						
Cash Severance	—	715,000	—	—	—	1,430,000
Benefits Continuation	—	19,096	—	—	—	—
Lump sum payment for health benefits	—	—	—	—	—	28,644
Value of unvested equity awards	—	—	—	—	—	1,160,730
Total	—	734,096	—	—	—	2,619,374
Alvarado						
Cash Severance	—	537,500	—	—	—	1,075,000
Benefits Continuation	—	19,179	—	—	—	—
Lump sum payment for health benefits	—	—	—	—	—	28,768
Value of unvested equity awards	—	—	—	—	—	332,810

Total	—	556,679	—	—	—	1,436,578
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CEO Pay Ratio

The Company seeks to establish fair and competitive employee compensation programs in each local market within its international operations in order to effectively attract, retain and motivate its talented workforce.

For 2018, the ratio of the CEO's total compensation to the Company's median employee's total compensation was 646 to 1. To calculate this ratio, the Company identified its median employee as of December 31, 2017 based on employees' gross earnings, which generally included salary and wages (regular, hourly and overtime), commissions and bonuses, and applied an average exchange rate as of December 31, 2017 to convert all Latin American compensation into U.S. dollars. Compensation was annualized for employees who worked less than a full year, and compensation for part-time employees was annualized but not converted into a full-time equivalent. The Company used the same median employee in 2018 as in 2017, based on its determination that there were no material changes to its employee population or compensation arrangements reasonably likely to result in a significant impact to the ratio. The median employee identified was a full-time store employee located in Latin America, where employee wages are significantly lower than in the U.S., and their total compensation for 2018 was determined in accordance with Item 402(c)(2)(x) of Regulation S-K to be \$12,080, as compared to total compensation of \$7,804,440 for the Company's CEO.

The Company's estimated pay ratio is influenced by a number of factors, including the geographic distribution of its employees, the mix of hourly vs. salaried employees included in its employee population, and compensation trends within its specific industry. As a result of these and other variables, the Company does not believe comparisons to the pay ratios of other companies are likely to be meaningful.

PROPOSAL 3

ADVISORY VOTE TO APPROVE THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

Under Section 14A of the Exchange Act, the Company's stockholders are entitled to vote to approve, on an advisory basis, the compensation of the NEOs, as disclosed in this Proxy Statement in accordance with SEC rules (commonly known as a "say-on-pay" proposal).

At the 2018 Annual Meeting, the Company held its non-binding stockholder advisory vote on executive compensation and approximately 96% of the shares present and entitled to vote were cast to support the compensation of the Company's NEOs.

The Board is seeking the advisory vote of stockholders on the compensation of the NEOs as disclosed in this Proxy Statement. This say-on-pay proposal gives the Company's stockholders the opportunity to express their views on the Company's NEOs' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the NEOs.

As discussed in "Compensation Discussion and Analysis," the Company has designed its executive compensation program to attract and retain the highest quality executive officers, directly link pay to performance, and build value for stockholders. The program provides total compensation opportunities at levels that are competitive in the industry, ties a significant portion of each executive's compensation to his or her individual performance and contribution to achieving business objectives, and closely aligns the interests of the executives with the interests of the Company's stockholders. Accordingly, the Board of Directors invites you to review carefully the Compensation Discussion and Analysis and the tabular and other disclosures on compensation under executive compensation, and cast a vote to approve the

compensation of the Company's NEOs through the following resolution:

“RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the NEOs, as disclosed in the Company's Proxy Statement for the 2019 Annual Meeting pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the 2018 Summary Compensation Table and the other related tables and disclosure.”

The say-on-pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or the Board of Directors. The Board of Directors and Compensation Committee value the opinions of the Company's stockholders and to the extent there is any significant vote against the NEO compensation as disclosed in this Proxy Statement, the Compensation Committee or the Board of Directors will consider the Company's stockholders' concerns and will evaluate whether any actions are necessary to address those concerns.

Required Vote

Approval of this resolution requires the affirmative vote of a majority of the shares of Common Stock present or represented by proxy at the Annual Meeting and entitled to vote.

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Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote “FOR” the resolution approving the overall compensation of the NEOs for 2018.

PROPOSAL 4

VOTE TO APPROVE THE FIRSTCASH, INC. 2019 LONG-TERM INCENTIVE PLAN

On April 23, 2019, the Board of Directors adopted, subject to stockholder approval at the Annual Meeting, the FirstCash, Inc. 2019 Long-Term Incentive Plan (the “2019 Incentive Plan”). The 2019 Incentive Plan will become effective as of the date it is approved by the Company’s stockholders.

The 2019 Incentive Plan is intended to serve as the successor to the Company’s 2011 Long-Term Incentive Plan (the “Prior Plan”). As of April 18, 2019, there were approximately 451,000 shares of the Company’s Common Stock subject to outstanding awards under the Prior Plan. As of such date, there were approximately 2,644,000 shares of the Company’s Common Stock reserved and available for future awards under the Prior Plan, of which 1,968,000 shares may only be issued pursuant to awards granted to individuals who were not employed by the Company or its subsidiaries at the date of the Merger.

The Prior Plan has been the sole source of shares for all equity incentive awards granted to the Company’s officers, employees and directors since 2011, and during such time, the Company have never sought stockholder approval of any increase in the number of shares available for issuance under the Prior Plan. If the Company’s stockholders approve the 2019 Incentive Plan, all future equity awards will be made from the 2019 Incentive Plan, and the Company will not grant any additional awards under the Prior Plan.

If the 2019 Incentive Plan is approved, a total of 3,500,000 shares will be reserved and available for issuance pursuant to the grant of new awards under the 2019 Incentive Plan.

The term of the Prior Plan expires on the date of the annual meeting in 2021. Given the approaching expiration date, approval of the 2019 Incentive Plan will enable the Company to continue making equity compensation grants through June 2029 that will serve as incentives to recruit and retain key employees and to continue aligning the interests of its employees with stockholders.

A summary of the 2019 Incentive Plan is set forth below. This summary is qualified in its entirety by the full text of the 2019 Incentive Plan, which is attached to this proxy statement as Appendix B.

Promotion of Sound Corporate Governance Practices

The Company has designed the 2019 Incentive Plan to include a number of features that reinforce and promote alignment of equity compensation arrangements for employees, officers and non-employee directors with the interests of stockholders and the Company. These features include, but are not limited to, the following:

- No Discounted Stock Options or Stock Appreciation Rights (SARs). Stock options and SARs may not be granted with exercise prices lower than the fair market value of the underlying shares on the grant date.
- Prohibition on Repricing. The exercise price of a stock option or SAR may not be reduced, directly or indirectly, without the prior approval of stockholders, including by a cash repurchase of “underwater” awards.
-

Minimum Vesting Requirements. Subject to certain limited exceptions, awards granted under the 2019 Incentive Plan will be subject to a minimum vesting period of one year.

No Liberal Share Recycling. Shares retained by or delivered to the Company to pay the exercise price of a stock option or SAR or to satisfy tax withholding obligations in connection with the exercise or settlement of an award count against the number of shares remaining available under the 2019 Incentive Plan.

No Dividends or Dividend Equivalents on Unearned Awards. The 2019 Incentive Plan prohibits the current payment of dividends or dividend equivalent rights on unearned awards.

No Single-Trigger Change in Control Vesting. If awards granted under the 2019 Incentive Plan are assumed by the successor entity in connection with a change in control of the Company, such awards will not automatically vest and pay out upon the change in control.

Awards Subject to Clawback Policy. Awards under the 2019 Incentive Plan will be subject to any compensation recoupment policy that the Company may adopt from time to time.

No Tax Gross-Ups. The 2019 Incentive Plan does not provide for any tax gross-ups.

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Key Data Relating to Outstanding Equity Awards and Shares Available

The following table includes information regarding outstanding equity awards and shares available for future awards under the Prior Plan as of April 18, 2019 (and without giving effect to approval of the 2019 Incentive Plan under this Proposal):

	Prior Plan ⁽¹⁾
Total shares underlying outstanding stock options and SARs	80,000
Total shares underlying outstanding unvested time-based full value awards	34,000
Total shares underlying outstanding unvested performance-based full value awards	337,000 ⁽²⁾
Total shares underlying all outstanding awards	451,000 ⁽²⁾
Weighted-average exercise price of outstanding stock options and SARs	\$ 39.00
Weighted-average remaining contractual life of outstanding stock options and SARs	2.2 years
Total shares currently available for grant	2,644,000 ⁽³⁾
Common Stock outstanding as of April, 18, 2019	43,141,392
Market price of Common Stock as of April 18, 2019	\$ 89.38

Includes information regarding all outstanding equity awards and shares available for future awards,

⁽¹⁾ which are all under the Prior Plan. As of April 18, 2019, no other predecessor plans have awards outstanding or shares available for future awards.

⁽²⁾ Assumes performance-based awards will vest and pay out based on maximum performance levels being achieved.

Represents the total number of shares available for future awards under the Prior Plan, of which

⁽³⁾ 1,968,000 shares may only be issued pursuant to awards granted to individuals who were not employed by the Company or its subsidiary at the time of the Merger.

Summary of the 2019 Incentive Plan

Purpose. The purpose of the 2019 Incentive Plan is to promote the interests of the Company and its stockholders by strengthening the ability of the Company to attract, motivate, reward, and retain qualified individuals upon whose judgment, initiative, and efforts the financial success and growth of the business of the Company largely depend, and to provide an opportunity for such individuals to acquire stock ownership and other rights that promote and recognize the financial success and growth of the Company.

Administration. The 2019 Incentive Plan will be administered by a committee (the “Committee”) of the Board. The Committee will have the authority to designate participants; determine the type or types of awards to be granted to each participant and the number, terms and conditions thereof; establish, adopt or revise any rules and regulations as it may deem advisable to administer the 2019 Incentive Plan; interpret the terms and intent of the 2019 Incentive Plan and any award certificate; and make all other decisions and determinations that may be required under the 2019 Incentive Plan. Unless and until changed by the Board, the Compensation Committee is designated as the Committee to administer the 2019 Incentive Plan.

Eligibility. The 2019 Incentive Plan permits the grant of incentive awards to employees, officers, non-employee directors, and consultants of the Company and its affiliates as selected by the Committee. As

of April 18, 2019, approximately 20,000 employees and five non-employee directors would be eligible to participate in the 2019 Incentive Plan.

Permissible Awards. The 2019 Incentive Plan authorizes the granting of awards in any of the following forms:

- market-priced stock options to purchase shares of the Company's Common Stock (for a term not to exceed 10 years), which may be designated under the Internal Revenue Code as nonstatutory stock options (which may be granted to all participants) or incentive stock options (which may be granted to officers and employees but not to consultants or non-employee directors);
- SARs, which give the holder the right to receive the difference (payable in cash or stock, as specified in the award certificate) between the fair market value per share of the Company's Common Stock on the date of exercise over the base price of the award (which cannot be less than the fair market value of the underlying stock as of the grant date);
- restricted stock, which is subject to restrictions on transferability and subject to forfeiture on terms set by the Committee;
- stock units, which represent the right to receive shares of Common Stock (or an equivalent value in cash, as specified in the award certificate) at a designated time in the future, subject to any vesting requirements as may be set by the Committee;

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performance awards, which represent any award of the types listed above which have a performance-vesting component based on the achievement, or the level of achievement, of one or more performance goals during a specified performance period, as established by the Committee;

- other stock-based awards that are denominated in, or valued by reference to, shares of the Company’s Common Stock; and
- cash-based awards, including performance-based annual bonus awards.

Shares Available for Awards. Subject to adjustment in the event of stock splits and similar events, the aggregate number of shares of Common Stock reserved and available for issuance pursuant to awards granted under the 2019 Incentive Plan is 3,500,000. If the Company’s stockholders approve the 2019 Incentive Plan, all future equity awards will be made from the 2019 Incentive Plan, and no further awards will be granted under the Prior Plan.

Share Counting. Shares of Common Stock reserved and available for issuance pursuant to awards granted under the 2019 Incentive Plan shall be counted against the 2019 Incentive Plan reserve as follows:

- The full number of shares subject to a stock option shall count against the shares remaining available under the 2019 Incentive Plan, even if the exercise price of the stock option is satisfied in whole or in part through net-settlement or by delivering shares to the Company.

- The full number of shares originally subject to an award of SARs shall count against the shares remaining available under the 2019 Incentive Plan.

- Shares withheld or repurchased from an award to satisfy tax withholding requirements shall count against the shares remaining available under the 2019 Incentive Plan, and shares delivered to satisfy tax withholding requirements shall not be added to the 2019 Incentive Plan share reserve.

- To the extent an award granted under the 2019 Incentive Plan is canceled, terminates, expires, is forfeited or lapses for any reason, including by reason of failure to achieve maximum performance goals, any unissued or forfeited shares will be added back to the 2019 Incentive Plan share reserve and again be available for issuance under the 2019 Incentive Plan.

- Shares subject to awards settled in cash will be added back to the 2019 Incentive Plan share reserve and again be available for issuance under the 2019 Incentive Plan.

- The Committee may grant awards under the 2019 Incentive Plan in substitution for awards held by employees of another entity who become employees of the Company as a result of a business combination, and such substitute awards will not count against the 2019 Incentive Plan share reserve.

Limitations on Awards. The maximum number of shares of Common Stock subject to stock options or SARs that may be granted under the 2019 Incentive Plan in any calendar year to any one participant is 250,000 each. The maximum number of shares of Common Stock underlying awards of restricted stock, restricted stock units and deferred stock units that may be granted under the 2019 Incentive Plan in any calendar year to any one participant, in the aggregate, is 250,000. The maximum amount that may be paid to any one participant with respect to any calendar year for performance awards granted under the 2019 Incentive Plan is 250,000 shares for performance awards payable in shares. For performance awards with multi-year performance periods, the amount of cash or number of shares deemed paid with respect to any one calendar year is the total amount earned for the performance period divided by the number of calendar year periods within the performance period.

Limitation of Non-Employee Director Compensation. The maximum aggregate number of shares subject to awards that may be granted under the 2019 Incentive Plan to any non-employee director in any calendar year is limited to a number that, combined with any cash meeting fees or cash retainers, does not exceed \$500,000 in total value, or \$750,000 in total value in the case of a non-employee Chairman of the Board or

Lead Director.

Minimum Vesting Requirements. Except in the case of substitute awards granted in a business combination, awards granted under the 2019 Incentive Plan will be subject to a minimum vesting period of one year. Notwithstanding the foregoing, the Committee may grant awards without the minimum vesting requirements described above with respect to awards covering 5% or fewer of the total number of shares authorized under the 2019 Incentive Plan.

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Treatment of Awards upon a Change in Control. In connection with a change in control:

upon the occurrence of a change in control of the Company in which awards under the 2019 Incentive (A) Plan are not assumed by the surviving entity or otherwise equitably converted or substituted in connection with the change in control in a manner approved by the Committee or the Board:

all outstanding options and stock appreciation rights will become fully vested and exercisable, and all time-based vesting restrictions on outstanding awards will lapse; and the payout opportunities attainable under outstanding performance-based awards will vest based on target or actual performance (depending on the time during the performance period in which the change in control occurs) and the awards will payout on a pro rata basis, based on the time elapsed prior to the change in control.

upon the occurrence of a change in control of the Company in which awards under the 2019 Incentive Plan are assumed by the surviving entity or otherwise equitably converted or substituted in connection (B) with the change in control, if within two years after the effective date of the change in control, a participant's employment is terminated without Cause or the participant resigns for Good Reason (as such terms are defined in the 2019 Incentive Plan), then:

all of that participant's outstanding options and stock appreciation rights will become fully vested and exercisable, and all time-based vesting restrictions on that participant's outstanding awards will lapse; and the payout opportunities attainable under outstanding performance-based awards will vest based on target or actual performance (depending on the time during the performance period in which the date of termination occurs) and the awards will payout on a pro rata basis, based on the time elapsed prior to the date of termination

Limitations on Transfer; Beneficiaries. A participant may not assign or transfer an award other than by will or the laws of descent and distribution; provided, however, that the Committee may permit other transfers (other than transfers for value). A participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the participant and to receive any distribution with respect to any award upon the participant's death.

Anti-Dilution Adjustments. In the event of a transaction between the Company and its stockholders that causes the per-share value of the Company's Common Stock to change (including, without limitation, any stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividend), the share authorization limits under the 2019 Incentive Plan will be adjusted proportionately, and the Committee must make such adjustments to the 2019 Incentive Plan and awards as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction. In the event of any corporate event or transaction involving the Company, such as a merger, consolidation, reorganization, recapitalization, stock split, a stock dividend, spin-off, or a combination or exchange of shares, dividend in kind or other like change in capital structure, the Committee may, in its sole discretion, make such other appropriate adjustments to the terms of any outstanding awards to reflect such changes or distributions and to modify any other terms of outstanding awards.

Termination and Amendment. The Board may, at any time and from time to time, terminate or amend the 2019 Incentive Plan, but if an amendment would constitute a material amendment requiring stockholder approval under applicable listing requirements, laws, policies or regulations, then such amendment will be subject to stockholder approval. No termination or amendment of the 2019 Incentive Plan may, without the written consent of the participant, reduce or diminish the value of an outstanding award. Unless sooner

terminated, the 2019 Incentive Plan will terminate on the tenth anniversary of its adoption by the Board or, if the stockholders approve an amendment to the 2019 Incentive Plan that increases the number of shares subject to the 2019 Incentive Plan, the tenth anniversary of the date of such approval.

The Committee may amend or terminate outstanding awards. However, such amendments may require the consent of the participant and, unless approved by the stockholders, the exercise price of an outstanding option may not be reduced, directly or indirectly, and the original term of an option may not be extended.

Prohibition on Repricing. As indicated above under “Termination and Amendment,” outstanding stock options and SARs cannot be repriced, directly or indirectly, without stockholder approval. The exchange of an “underwater” stock option or SAR (i.e., an award having an exercise price in excess of the current market value of the underlying stock) for another award or for a cash payment would be considered an indirect repricing and would, therefore, require stockholder approval.

Clawback Policy. Awards under the 2019 Incentive Plan will be subject to any compensation recoupment policy (sometimes referred to as a “clawback policy”) of the Company as adopted from time to time.

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Certain U.S. Federal Income Tax Effects

The U.S. federal income tax discussion set forth below is intended for general information only and does not purport to be a complete analysis of all of the potential tax effects of the 2019 Incentive Plan. It is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change. State and local income tax consequences are not discussed, and may vary from locality to locality.

Nonstatutory Stock Options. There will be no federal income tax consequences to the optionee or to the Company upon the grant of a nonstatutory stock option under the 2019 Incentive Plan. When the optionee exercises a nonstatutory option, however, he or she will recognize ordinary income in an amount equal to the excess of the fair market value of the stock received upon exercise of the option at the time of exercise over the exercise price, and the Company will be allowed a corresponding federal income tax deduction. Any gain that the optionee realizes when he or she later sells or disposes of the option shares will be short-term or long-term capital gain, depending on how long the shares were held.

Incentive Stock Options. There will be no federal income tax consequences to the optionee or to the Company upon the grant or exercise of an incentive stock option. If the optionee holds the option shares for the required holding period of at least two years after the date the option was granted and one year after exercise, the difference between the exercise price and the amount realized upon sale or disposition of the option shares will be long-term capital gain or loss, and the Company will not be entitled to a federal income tax deduction. If the optionee disposes of the option shares in a sale, exchange, or other disqualifying disposition before the required holding period ends, he or she will recognize taxable ordinary income in an amount equal to the excess of the fair market value of the option shares at the time of exercise over the exercise price, and the Company will be allowed a federal income tax deduction equal to such amount. While the exercise of an incentive stock option does not result in current taxable income, the excess of the fair market value of the option shares at the time of exercise over the exercise price will be an item of adjustment for purposes of determining the optionee's alternative minimum taxable income.

SARs. A participant receiving a SAR under the 2019 Incentive Plan will not recognize income, and the Company will not be allowed a tax deduction at the time the award is granted. When the participant exercises the SAR, the amount of cash and the fair market value of any shares of stock received will be ordinary income to the participant and the Company will be allowed a corresponding federal income tax deduction at that time.

Restricted Stock. Unless a participant makes an election to accelerate recognition of the income to the date of grant as described below, a participant will not recognize income, and the Company will not be allowed a tax deduction, at the time a restricted stock award is granted, provided that the award is nontransferable and is subject to a substantial risk of forfeiture. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the stock as of that date (less any amount he or she paid for the stock), and the Company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Code Section 162(m). If the participant files an election under Code Section 83(b) within 30 days after the date of grant of the restricted stock, he or she will recognize ordinary income as of the date of grant equal to the fair market value of the stock as of that date (less any amount paid for the stock), and the Company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Code Section 162(m). Any future appreciation in the stock will be taxable to the participant at capital gains rates. However, if the stock is later forfeited, the participant will not be able to recover the tax previously paid pursuant to the Code Section 83(b) election.

Restricted or Deferred Stock Units. A participant will not recognize income, and the Company will not be allowed a tax deduction, at the time a stock unit award is granted. Upon receipt of shares of stock (or the equivalent value in cash) in settlement of a stock unit award, a participant will recognize ordinary income equal to the fair market value of the stock or other property as of that date (less any amount he or she paid for the stock or property), and the Company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Code Section 162(m).

Cash-Based Awards. A participant will not recognize income, and the Company will not be allowed a tax deduction, at the time a cash-based award is granted (for example, when the performance goals are established). Upon receipt of cash in settlement of the award, a participant will recognize ordinary income equal to the cash received, and the Company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Code Section 162(m).

Tax Withholding. The Company has the right to deduct or withhold, or require a participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including employment taxes) required by law to be withheld with respect to any exercise, lapse of restriction or other taxable event arising as a result of the 2019 Incentive Plan.

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Benefits to Named Executive Officers and Others

As of April 18, 2019, no awards had been granted under the 2019 Incentive Plan. Awards will be made at the discretion of the Committee or pursuant to delegated authority. Therefore, it is not presently possible to determine the benefits or amounts that will be received by such persons or groups pursuant to the 2019 Incentive Plan in the future.

Required Vote

The affirmative vote of the holders of a majority of the outstanding shares of Common Stock present or represented by proxy at the Annual Meeting and entitled to vote is required to approve the FirstCash, Inc. 2019 Long-Term Incentive Plan.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote “FOR” the approval of the FirstCash, Inc. 2019 Long-Term Incentive Plan.

OTHER MATTERS

Management is not aware of any other matters to be presented for action at the Annual Meeting. However, if any other matter is properly presented, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their best judgment on such matter. Neither Delaware law nor the Company’s certificate of incorporation or bylaws provides stockholders with dissenters’ rights in connection with any of the proposals to be voted on at the Annual Meeting.

COST OF SOLICITATION

The Company will bear the costs of the solicitation of proxies from its stockholders. In addition to the use of mail, directors, officers and regular employees of the Company may solicit proxies in person or by telephone or other means of communication. The directors, officers and employees of the Company will not be compensated additionally for the solicitation but may be reimbursed for out-of-pocket expenses in connection with the solicitation. Arrangements are also being made with brokerage houses and any other custodians, nominees and fiduciaries of the forwarding of solicitation material to the beneficial owners of the Company’s Common Stock, and the Company will reimburse the brokers, custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses.

HOUSEHOLDING OF PROXY MATERIALS

The Company has adopted a practice approved by the SEC called “householding.” Under this practice, stockholders who have the same address and last name will receive only one copy of the Company’s proxy materials, unless one or more of these stockholders notifies the Company that he or she wishes to receive individual copies. Stockholders who participate in householding will continue to receive separate proxy cards. You may revoke your consent to householding at any time by contacting your broker or bank, if you hold your shares in a “street name,” or by writing to Broadridge Financial Solutions, Inc., Household Department, 51 Mercedes Way, Edgewood, New York 11717 or calling (866) 540-7095 if you are a stockholder of record. If you share an address with another stockholder and received only one set of proxy materials and would like to request a separate paper copy of these materials, please direct your written request to the Corporate Secretary, at 1600 West 7th Street, Fort Worth, Texas 76102, and the Company will

promptly deliver a separate copy.

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STOCKHOLDER PROPOSALS

The Company has not received any stockholder proposals for this Annual Meeting. Proposals by stockholders intended to be presented at next year's Annual Meeting of Stockholders and to be considered must be received by the Company for inclusion in the Company's Proxy Statement and form of proxy relating to that meeting must be received by the Company no later than December 28, 2019 and the proposal must otherwise comply with Rule 14a-8 promulgated by the SEC pursuant to the Exchange Act. Separate and apart from the requirements of Rule 14a-8 relating to inclusion of a stockholders' proposal in the Company's Proxy Statement, the Company's bylaws require advance notice for a stockholder to bring nominations of directors or any other action before any annual meeting of stockholders. Specifically, Section 3.5 of the Company's bylaws requires notice of nominations of directors or any other action to be received by the Company not less than ninety (90) days (January 27, 2020) nor more than one hundred twenty (120) days (December 28, 2019) prior to the anniversary date of the filing of this year's proxy statement with the SEC; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days or delayed (other than as a result of adjournment) by more than sixty (60) days from the anniversary of the previous year's annual meeting, a notice of nominations of directors or any other action to be received by the Company must be so received no later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. Further, the notice must contain the information set forth in Section 3.5 of the Company's bylaws.

By Order of the Board of Directors,

Fort Worth, Texas R. Douglas Orr

April 26, 2019 Executive Vice President, Chief Financial Officer,
 Treasurer and Secretary

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VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by FirstCash, Inc. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

REVOCABLE PROXY

FIRSTCASH, INC.

ANNUAL MEETING OF STOCKHOLDERS

June 11, 2019

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF FIRSTCASH, INC. THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE CHOICES SPECIFIED BELOW. IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE BOARD OF DIRECTORS' RECOMMENDATIONS BELOW. IN THEIR DISCRETION, MESSRS. WESSEL AND ORR ARE AUTHORIZED TO VOTE UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENTS THEREOF.

The undersigned hereby appoints Rick L. Wessel and R. Douglas Orr the true and lawful attorneys, agents and proxies of the undersigned with full power of substitution for and in the name of the undersigned, to vote all the shares of Common Stock of FirstCash, Inc. which the undersigned may be entitled to vote at the Annual Meeting of Stockholders of FirstCash, Inc. to be held at 1600 West 7th Street, Fort Worth, Texas 76102 on Tuesday, June 11, 2019 at 10:00 a.m., and any and all adjournments thereof, with all of the powers which the undersigned would possess if personally present, for the following purposes. This proxy will be voted for the choice specified; however you need not mark any boxes if you wish to vote in accordance with the Board of Directors' recommendations.

The Board of Directors recommends you vote FOR the following proposals:

1. Election of Directors

Nominees:	For	Against	Abstain
1a. Mr. Daniel R. Feehan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

- 2. Ratification of the selection of RSM US LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2019. o o o

- 3. Approve, by non-binding vote, the compensation of named executive officers as described in the proxy statement. o o o

- 4. Approve the FirstCash, Inc. 2019 Long-Term Incentive Plan o o o

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date

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APPENDIX A

Non-GAAP Financial Information

The Company uses certain financial calculations such as adjusted net income, adjusted diluted earnings per share, adjusted pre-tax profit margin, adjusted net income margin, EBITDA, adjusted EBITDA and constant currency results as factors in the measurement and evaluation of the Company's operating performance and period-over-period growth. The Company derives these financial calculations on the basis of methodologies other than GAAP, primarily by excluding from a comparable GAAP measure certain items the Company does not consider to be representative of its actual operating performance. These financial calculations are "non-GAAP financial measures" as defined in SEC rules. The Company uses these non-GAAP financial measures in operating its business because management believes they are less susceptible to variances in actual operating performance that can result from the excluded items, other infrequent charges and currency fluctuations. The Company presents these financial measures to investors because management believes they are useful to investors in evaluating the primary factors that drive the Company's operating performance and because management believes they provide greater transparency into the Company's results of operations. However, items that are excluded and other adjustments and assumptions that are made in calculating these non-GAAP financial measures are significant components in understanding and assessing the Company's financial performance. These non-GAAP financial measures should be evaluated in conjunction with, and are not a substitute for, the Company's GAAP financial measures. Further, because these non-GAAP financial measures are not determined in accordance with GAAP and are thus susceptible to varying calculations, the non-GAAP financial measures, as presented, may not be comparable to other similarly titled measures of other companies.

The Company has adjusted the applicable financial measures to exclude, among other expenses and benefits, merger and other acquisition expenses because it generally would not incur such costs and expenses as part of its continuing operations. Merger and other acquisition expenses include incremental costs directly associated with merger and acquisition activities, including professional fees, legal expenses, severance, retention and other employee-related costs, accelerated vesting of certain equity compensation awards, contract breakage costs and costs related to consolidation of technology systems and corporate facilities, among others.

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Adjusted Net Income, Adjusted Diluted Earnings Per Share, Adjusted Pre-Tax Profit Margin and Adjusted Net Income Margin

Management believes the presentation of adjusted net income, adjusted diluted earnings per share, adjusted pre-tax profit margin and adjusted net income margin provides investors with greater transparency and provides a more complete understanding of the Company's financial performance and prospects for the future by excluding items that management believes are non-operating in nature and not representative of the Company's core operating performance. In addition, management believes the adjustments shown below are useful to investors in order to allow them to compare the Company's financial results for the current periods presented with the prior periods presented.

The following table provides a reconciliation between net income and diluted earnings per share calculated in accordance with GAAP to adjusted net income and adjusted diluted earnings per share, which are shown net of tax (unaudited, in thousands, except per share amounts):

	Year Ended December 31,					
	2018		2017		2016	
	In	Per	In	Per	In	Per
	Thousands	Share	Thousands	Share	Thousands	Share
Net income and diluted earnings per share, as reported	\$153,206	\$3.41	\$143,892	\$3.00	\$60,127	\$1.72
Adjustments, net of tax:						
Merger and other acquisition expenses:						
Transaction	4,686	0.11	—	—	14,399	0.41
Severance and retention	105	—	2,456	0.05	9,594	0.27
Other	621	0.01	3,254	0.07	2,030	0.06
Total merger and other acquisition expenses	5,412	0.12	5,710	0.12	26,023	0.74
Asset impairments related to consumer loan operations	1,166	0.03	—	—	—	—
Net tax benefit from Tax Act	(1,494)	(0.03)	(27,269)	(0.57)	—	—
Loss on extinguishment of debt	—	—	8,892	0.19	—	—
Net gain on sale of common stock of Enova	—	—	—	—	(818)	(0.02)
Adjusted net income and diluted earnings per share	\$158,290	\$3.53	\$131,225	\$2.74	\$85,332	\$2.44

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The following table provides a calculation of the adjusted pre-tax profit margin and the adjusted net income margin (unaudited, dollars in thousands):

	Year Ended December 31,		
	2018	2017	2016
Adjusted pre-tax profit margin calculated as follows:			
Income before income taxes, as reported	\$205,309	\$172,312	\$93,447
Merger and other acquisition expenses	7,643	9,062	36,670
Asset impairments related to consumer loan operations	1,514	—	—
Loss on extinguishment of debt	—	14,114	—
Net gain on sale of common stock of Enova	—	—	(1,299)
Adjusted income before income taxes	\$214,466	\$195,488	\$128,818
Total revenue	\$1,780,858	\$1,779,822	\$1,088,377
Adjusted pre-tax profit margin	12.0	% 11.0	% 11.8 %
Adjusted net income margin calculated as follows:			
Adjusted net income	\$158,290	\$131,225	\$85,332
Total revenue	\$1,780,858	\$1,779,822	\$1,088,377
Adjusted net income margin	8.9	% 7.4	% 7.8 %

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA

The Company defines EBITDA as net income before income taxes, depreciation and amortization, interest expense and interest income and adjusted EBITDA as EBITDA adjusted for certain items as listed below that management considers to be non-operating in nature and not representative of its actual operating performance. The Company believes EBITDA and adjusted EBITDA are commonly used by investors to assess a company's financial performance, and adjusted EBITDA is used in the calculation of the Net Debt Ratio as defined in the Company's senior unsecured notes covenants. The following table provides a reconciliation of net income to EBITDA and adjusted EBITDA (unaudited, dollars in thousands):

	Year Ended December 31,		
	2018	2017	2016
Net income	\$153,206	\$143,892	\$60,127
Income taxes	52,103	28,420	33,320
Depreciation and amortization	42,961	55,233	31,865
Interest expense	29,173	24,035	20,320
Interest income	(2,444)	(1,597)	(751)
EBITDA	274,999	249,983	144,881
Adjustments:			
Merger and other acquisition expenses	7,643	9,062	36,670
Asset impairments related to consumer loan operations	1,514	—	—
Loss on extinguishment of debt	—	14,114	—
Net gain on sale of common stock of Enova	—	—	(1,299)
Adjusted EBITDA	\$284,156	\$273,159	\$180,252

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Constant Currency Results

The Company's reporting currency is the U.S. dollar. However, certain performance metrics discussed in this Proxy Statement are presented on a "constant currency" basis, which is considered a non-GAAP financial measure. The Company's management uses constant currency results to evaluate operating results of business operations in Latin America, which are primarily transacted in local currencies.

The Company believes constant currency results provide investors with valuable supplemental information regarding the underlying performance of its business operations in Latin America, consistent with how the Company's management evaluates such performance and operating results. Constant currency results reported herein are calculated by translating certain balance sheet and income statement items denominated in local currencies using the exchange rate from the prior-year comparable period, as opposed to the current comparable period, in order to exclude the effects of foreign currency rate fluctuations for purposes of evaluating period-over-period comparisons. Business operations in Mexico, Guatemala and Colombia are transacted in Mexican pesos, Guatemalan quetzales and Colombian pesos, respectively. The Company also has operations in El Salvador where the reporting and functional currency is the U.S. dollar.

The following table provides exchange rates for the Mexican peso, Guatemalan quetzal and Colombian peso for the current and prior-year periods:

	2018		2017		2016	
	Rate	% Change Over Prior Year Period Favorable / (Unfavorable)	Rate	% Change Over Prior Year Period Favorable / (Unfavorable)	Rate	
Mexican peso / U.S. dollar exchange rate:						
End-of-period	19.7	— %	19.7	5 %	20.7	
Twelve months ended	19.2	(2)%	18.9	(1)%	18.7	
Guatemalan quetzal / U.S. dollar exchange rate:						
End-of-period	7.7	(5)%	7.3	3 %	7.5	
Twelve months ended	7.5	(1)%	7.4	3 %	7.6	
Colombian peso / U.S. dollar exchange rate:						
End-of-period	3,250	(9)%	2,984	1 %	3,001	
Twelve months ended	2,956	— %	2,951	3 %	3,052	

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The following table presents segment revenues of the Latin America operations segment for the year ended December 31, 2018 as compared to the year ended December 31, 2017 on both a GAAP and non-GAAP constant currency basis (unaudited, dollars in thousands):

	Year Ended		Increase /		Constant Currency		Basis		Year		Ended		December		Increase /	
	2018	2017	(Decrease)	(Non-GAAP)	2018	(Decrease)	(Non-GAAP)	(Non-GAAP)	31,	Increase /	(Decrease)	(Non-GAAP)	(Non-GAAP)	31,	Increase /	(Decrease)
Latin America Operations Segment Revenue:																
Retail merchandise sales	\$382,020	\$333,609	15	%	\$388,102	16	%									
Pawn loan fees	151,740	130,309	16	%	154,144	18	%									
Wholesale scrap jewelry sales	22,103	21,645	2	%	22,103	2	%									
Consumer loan fees	860	1,767	(51)	%	874	(51)	%									
Total revenue	556,723	487,330	14	%	565,223	16	%									

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APPENDIX B

FIRSTCASH, INC.
2019 LONG-TERM INCENTIVE PLAN

ARTICLE 1
PURPOSE

1.1 GENERAL. The purpose of the FirstCash, Inc. 2019 Long-Term Incentive Plan (the “Plan”) is to promote the success, and enhance the value, of FirstCash, Inc. (the “Company”), by linking the personal interests of employees, officers, directors and consultants of the Company or any Affiliate (as defined below) to those of Company stockholders and by providing such persons with an incentive for outstanding performance. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of employees, officers, directors and consultants upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent. Accordingly, the Plan permits the grant of incentive awards from time to time to selected employees, officers, directors and consultants of the Company and its Affiliates.

ARTICLE 2
DEFINITIONS

2.1 DEFINITIONS. When a word or phrase appears in this Plan with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be given the meaning ascribed to it in this Section or in Section 1.1 unless a clearly different meaning is required by the context. The following words and phrases shall have the following meanings:

- (a) “Affiliate” means (i) any Subsidiary or Parent, or (ii) an entity that directly or through one or more intermediaries controls, is controlled by or is under common control with, the Company, as determined by the Committee.
- (b) “Award” means an award of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Deferred Stock Units, Performance Awards, Other Stock-Based Awards, or any other right or interest relating to Stock or cash, granted to a Participant under the Plan.
- (c) “Award Certificate” means a written document, in such form as the Committee prescribes from time to time, setting forth the terms and conditions of an Award. Award Certificates may be in the form of individual award agreements or certificates or a program document describing the terms and provisions of an Award or series of Awards under the Plan. The Committee may provide for the use of electronic, internet or other non-paper Award Certificates, and the use of electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant.
- (d) “Beneficial Owner” shall have the meaning given such term in Rule 13d-3 of the General Rules and Regulations under the 1934 Act.
- (e) “Board” means the Board of Directors of the Company.
- (f) “Cause” as a reason for a Participant’s termination of employment shall have the meaning assigned such term in the employment, severance or similar agreement, if any, between such Participant and the Company or an Affiliate; provided, however that if there is no such employment, severance or similar agreement in which such term is defined, and unless otherwise defined in the applicable Award Certificate, “Cause” shall mean any of the following acts, as determined in good faith by the Committee or the Board: (i) the continued and willful failure of the Participant substantially to perform the duties of his employment or other service for the Company or any Subsidiary (other than any such failure due to the Participant’s Disability); (ii) the Participant’s engaging in willful or serious misconduct that has caused or could reasonably be expected to result in material injury to the Company or any of its Subsidiaries or Affiliates, including, but not limited to, by way of damage to the Company’s or a Subsidiary’s or

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Affiliate's reputation or public standing; (iii) the Participant's commission of a felony involving the business, assets, customers or clients of the Company or any Affiliate, or charge with, indictment for, conviction of, pleading guilty to, confession to, or entering of a plea of nolo contendere by Participant for any other felony or any crime involving fraud, dishonesty, moral turpitude, or a breach of trust; or (iv) the Participant's material violation or breach of the Company's or any Subsidiary's code of conduct or ethics or other Company or Subsidiary policy or rule or the material breach by the Participant of any of his obligations under any written covenant or agreement with the Company or any of its Subsidiaries or Affiliates.

(g) "Change in Control" means and includes the occurrence of any one of the following events:

(i) during any consecutive 12-month period, individuals who, at the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of such Board, provided that any person becoming a director after the beginning of such 12-month period and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; or

(ii) any Person becomes a Beneficial Owner, directly or indirectly, of either (A) 50% or more of the then-outstanding shares of common stock of the Company ("Company Common Stock") or (B) securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of directors (the "Company Voting Securities"); provided, however, that for purposes of this subsection (ii), the following acquisitions of Company Common Stock or Company Voting Securities shall not constitute a Change in Control: (w) an acquisition directly from the Company, (x) an acquisition by the Company or a Subsidiary, (y) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (z) an acquisition pursuant to a Non-Qualifying Transaction (as defined in subsection (iii) below); or

(iii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or a Subsidiary (a "Reorganization"), or the sale or other disposition of all or substantially all of the Company's assets (a "Sale") or the acquisition of assets or stock of another corporation or other entity (an "Acquisition"), unless immediately following such Reorganization, Sale or Acquisition: (A) all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the outstanding Company Common Stock and outstanding Company Voting Securities immediately prior to such Reorganization, Sale or Acquisition beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Reorganization, Sale or Acquisition (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries, the "Surviving Entity") in substantially the same proportions as their ownership, immediately prior to such Reorganization, Sale or Acquisition, of the outstanding Company Common Stock and the outstanding Company Voting Securities, as the case may be, and (B) no person (other than (x) the Company or any Subsidiary, (y) the Surviving Entity or its ultimate parent entity, or (z) any employee benefit plan (or related trust) sponsored or maintained by any of the foregoing is the Beneficial Owner, directly or indirectly, of 50% or more of the total common stock or 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Entity, and (C) at least a majority of the members of the board of directors of the Surviving Entity were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization, Sale or Acquisition (any Reorganization, Sale or

Acquisition which

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satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a “Non-Qualifying Transaction”); or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(h) “Code” means the Internal Revenue Code of 1986, as amended from time to time. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations thereunder and any successor or similar provision.

(i) “Committee” means the committee of the Board described in Article 4.

(j) “Company” means FirstCash, Inc., a Delaware corporation, or any successor corporation.

(k) “Continuous Service” means the absence of any interruption or termination of service as an employee, officer, director or consultant of the Company or any Affiliate, as applicable; provided, however, that for purposes of an Incentive Stock Option “Continuous Service” means the absence of any interruption or termination of service as an employee of the Company or any Parent or Subsidiary, as applicable, pursuant to applicable tax regulations. Continuous Service shall not be considered interrupted in the following cases: (i) a Participant transfers employment between the Company and an Affiliate or between Affiliates, (ii) in the discretion of the Committee as specified at or prior to such occurrence, in the case of a spin-off, sale or disposition of the Participant’s employer from the Company or any Affiliate, (iii) a Participant transfers from being an employee of the Company or an Affiliate to being a director of the Company or of an Affiliate, or vice versa, (iv) in the discretion of the Committee, a Participant transfers from being an employee of the Company or an Affiliate to being a consultant to the Company or of an Affiliate, or vice versa, or (v) any leave of absence authorized in writing by the Company prior to its commencement; provided, however, that for purposes of Incentive Stock Options, no such leave may exceed 90 days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 91st day of such leave any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option. Whether military, government or other service or other leave of absence shall constitute a termination of Continuous Service shall be determined in each case by the Committee at its discretion, and any determination by the Committee shall be final and conclusive; provided, however, that for purposes of any Award that is subject to Code Section 409A, the determination of a leave of absence must comply with the requirements of a “bona fide leave of absence” as provided in Treas. Reg. Section 1.409A-1(h).

(l) “Deferred Stock Unit” means a right granted to a Participant under Article 9 to receive Shares (or the equivalent value in cash or other property if the Committee so provides) at a future time as determined by the Committee, or as determined by the Participant within guidelines established by the Committee in the case of voluntary deferral elections.

(m) “Disability” of a Participant means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant’s employer. If the determination of Disability relates to an Incentive Stock Option, Disability means Permanent and Total Disability as defined in Section 22(e)(3) of the Code. In the event of a dispute, the determination of whether a Participant is Disabled will be made by the Committee and may be supported by the advice of a physician competent in the area to which such Disability relates.

(n) “Dividend Equivalent” means a right granted with respect to an Award pursuant Article 11.

(o) “Effective Date” has the meaning assigned such term in Section 3.1.

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- (p) “Eligible Participant” means an employee, officer, director or consultant of the Company or any Affiliate.
- (q) “Exchange” means any national securities exchange on which the Stock may from time to time be listed or traded.
- (r) “Fair Market Value,” on any date, means the closing sales price on the Exchange on such date or, in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported. The Committee is authorized to adopt another fair market value pricing method, provided such method is stated in the Award Certificate, and is in compliance with the fair market value pricing rules set forth in Section 409A of the Code.
- (s) “Full-Value Award” means an Award other than in the form of an Option or SAR, and which is settled by the issuance of Stock (or at the discretion of the Committee, settled in cash valued by reference to Stock value).
- (t) “Good Reason” (or a similar term denoting constructive termination) has the meaning, if any, assigned such term in the employment, consulting, severance or similar agreement, if any, between a Participant and the Company or an Affiliate; provided, however, that if there is no such employment, consulting, severance or similar agreement in which such term is defined, “Good Reason” shall have the meaning, if any, given such term in the applicable Award Certificate. If not defined in either such document, the term “Good Reason” as used herein shall not apply to a particular Award.
- (u) “Grant Date” of an Award means the first date on which all necessary corporate action has been taken to approve the grant of the Award as provided in the Plan, or such later date as is determined and specified as part of that authorization process. Notice of the grant shall be provided to the grantee within a reasonable time after the Grant Date.
- (v) “Incentive Stock Option” means an Option that is intended to be an incentive stock option and meets the requirements of Section 422 of the Code or any successor provision thereto.
- (w) “Independent Directors” means those members of the Board who qualify at any given time as (a) an “independent” director under the applicable rules of each Exchange on which the Shares are listed, and (b) a “non-employee” director under Rule 16b-3 of the 1934 Act.
- (x) “Non-Employee Director” means a director of the Company who is not a common law employee of the Company or an Affiliate.
- (y) “Nonstatutory Stock Option” means an Option that is not an Incentive Stock Option.
- (z) “Option” means a right granted to a Participant under Article 7 of the Plan to purchase Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Nonstatutory Stock Option.
- (aa) “Other Stock-Based Award” means a right, granted to a Participant under Article 12, that relates to or is valued by reference to Stock or other Awards relating to Stock.
- (bb) “Parent” means a corporation, limited liability company, partnership or other entity which owns or beneficially owns a majority of the outstanding voting stock or voting power of the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Parent shall have the meaning set forth in Section 424(e) of the Code.
- (cc) “Participant” means an Eligible Participant who has been granted an Award under the Plan; provided that in the case of the death of a Participant, the term “Participant” refers to a beneficiary designated pursuant to

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Section 13.4 or the legal guardian or other legal representative acting in a fiduciary capacity on behalf of the Participant under applicable state law and court supervision.

(dd) “Performance Award” means any award granted under the Plan pursuant to Article 10.

(ee) “Person” means any individual, entity or group, within the meaning of Section 3(a)(9) of the 1934 Act and as used in Section 13(d)(3) or 14(d)(2) of the 1934 Act.

(ff) “Plan” means the FirstCash, Inc. 2019 Long-Term Incentive Plan, as amended from time to time.

(gg) “Prior Plan” means the First Cash Financial Services, Inc. 2011 Long-Term Incentive Plan, as amended.

(hh) “Restricted Stock” means Stock granted to a Participant under Article 9 that is subject to certain restrictions and to risk of forfeiture.

(ii) “Restricted Stock Unit” means the right granted to a Participant under Article 9 to receive shares of Stock (or the equivalent value in cash or other property if the Committee so provides) in the future, which right is subject to certain restrictions and to risk of forfeiture.

(jj) “Shares” means shares of the Company’s Stock. If there has been an adjustment or substitution with respect to the Shares (whether or not pursuant to Article 14, the term “Shares” shall also include any shares of stock or other securities that are substituted for Shares or into which Shares are adjusted.

(kk) “Stock” means the Company’s Common Stock, \$0.01 par value and such other securities of the Company as may be substituted for Stock pursuant to Article 14.

(ll) “Stock Appreciation Right” or “SAR” means a right granted to a Participant under Article 8 to receive a payment equal to the difference between the Fair Market Value of a Share as of the date of exercise of the SAR over the base price of the SAR, all as determined pursuant to Article 8.

(mm) “Subsidiary means any corporation, limited liability company, partnership or other entity, domestic or foreign, of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Subsidiary shall have the meaning set forth in Section 424(f) of the Code.

(nn) “1933 Act” means the Securities Act of 1933, as amended from time to time.

(oo) “1934 Act” means the Securities Exchange Act of 1934, as amended from time to time.

ARTICLE 3

EFFECTIVE TERM OF PLAN

3.1 EFFECTIVE DATE. The Plan shall be effective on the date it is approved by the stockholders of the Company (the “Effective Date”).

3.2 TERM OF PLAN. Unless earlier terminated as provided herein, the Plan shall continue in effect until the tenth (10th) anniversary of the Effective Date or, if the stockholders approve an amendment to the Plan that increases the number of Shares subject to the Plan, the tenth (10th) anniversary of the date of such approval. The termination of the Plan on such date shall not affect the validity of any Award outstanding on the date of termination, which shall continue to be governed by the applicable terms and conditions of the Plan. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten (10) years after the Effective Date.

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ARTICLE 4

ADMINISTRATION

4.1 COMMITTEE. The Plan shall be administered by a Committee appointed by the Board (which Committee shall consist of at least two directors) or, at the discretion of the Board from time to time, the Plan may be administered by the Board. Unless and until changed by the Board, the Compensation Committee of the Board is designated as the Committee to administer the Plan. It is intended that at least two of the directors appointed to serve on the Committee shall be Independent Directors and that any such members of the Committee who do not so qualify shall abstain from participating in any decision to make or administer Awards that are made to Eligible Participants who at the time of consideration for such Award are persons subject to the short-swing profit rules of Section 16 of the 1934 Act. However, the mere fact that a Committee member shall fail to qualify as an Independent Director or shall fail to abstain from such action shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board. The Board may reserve to itself any or all of the authority and responsibility of the Committee under the Plan or may act as administrator of the Plan for any and all purposes. To the extent the Board has reserved any authority and responsibility or during any time that the Board is acting as administrator of the Plan, it shall have all the powers and protections of the Committee hereunder, and any reference herein to the Committee (other than in this Section 4.1) shall include the Board. To the extent any action of the Board under the Plan conflicts with actions taken by the Committee, the actions of the Board shall control.

4.2 ACTION AND INTERPRETATIONS BY THE COMMITTEE. For purposes of administering the Plan, the Committee may from time to time adopt rules, regulations, guidelines and procedures for carrying out the provisions and purposes of the Plan and make such other determinations, not inconsistent with the Plan, as the Committee may deem appropriate. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent it deems necessary to carry out the intent of the Plan. The Committee's interpretation of the Plan, any Awards granted under the Plan, any Award Certificate and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties and shall be given the maximum deference permitted by applicable law. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Affiliate, the Company's or an Affiliate's independent certified public accountants, Company counsel or any executive compensation consultant or other professional retained by the Company or the Committee to assist in the administration of the Plan. No member of the Committee will be liable for any good faith determination, act or omission in connection with the Plan or any Award.

4.3 AUTHORITY OF COMMITTEE. Except as provided in Section 4.1 hereof, the Committee has the exclusive power, authority and discretion to:

- (a) grant Awards;
- (b) designate Participants;
- (c) determine the type or types of Awards to be granted to each Participant;
- (d) determine the number of Awards to be granted and the number of Shares or dollar amount to which an Award will relate;
- (e) determine the terms and conditions of any Award granted under the Plan;
- (f) prescribe the form of each Award Certificate, which need not be identical for each Participant;
- (g) decide all other matters that must be determined in connection with an Award;
- (h) establish, adopt or revise any plan, program or policy for the grant of Awards as it may deem necessary or advisable, including but not limited to short-term incentive programs, and any special plan documents;

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- (i) establish, adopt or revise any rules, regulations, guidelines or procedures as it may deem necessary or advisable to administer the Plan;
- (j) make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan;
- (k) amend the Plan or any Award Certificate as provided herein; and
- (l) adopt such modifications, procedures, and subplans as may be necessary or desirable to comply with provisions of the laws of the United States or any non-U.S. jurisdictions in which the Company or any Affiliate may operate, in order to assure the viability of the benefits of Awards granted to participants located in the United States or such other jurisdictions and to further the objectives of the Plan.

4.4 DELEGATION. The Committee may delegate to one or more of its members or to one or more officers of the Company or an Affiliate or to one or more agents or advisors such administrative duties or powers as it may deem advisable, and the Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility the Committee or such individuals may have under this Plan. In addition, the Committee may, by resolution, expressly delegate to one or more of its members or to one or more officers of the Company, the authority, within specified parameters as to the number and terms of Awards, to (i) designate officers and/or employees of the Company or any of its Affiliates to be recipients of Awards under the Plan, and (ii) to determine the number of such Awards to be received by any such Participants; provided, however, that such delegation of duties and responsibilities may not be made with respect to the grant of Awards to eligible participants who are subject to Section 16(a) of the 1934 Act at the Grant Date. The acts of such delegates shall be treated hereunder as acts of the Committee and such delegates shall report regularly to the Compensation Committee regarding the delegated duties and responsibilities and any Awards so granted.

4.5 INDEMNIFICATION. Each person who is or shall have been a member of the Committee, or the Board, or an officer of the Company to whom authority was delegated in accordance with this Article 4, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability, or expense is a result of his or her own willful misconduct or except as expressly provided by statute. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's charter or bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

ARTICLE 5

SHARES SUBJECT TO THE PLAN

5.1 NUMBER OF SHARES. Subject to adjustment as provided in Section 5.2 and Section 14.1, the aggregate number of Shares reserved and available for issuance pursuant to Awards granted under the Plan shall be 3,500,000 Shares. From and after the Effective Date, no further awards shall be granted under the Prior Plan, and the Prior Plan shall remain in effect only so long as awards granted thereunder shall remain outstanding.

5.2 SHARE COUNTING. Shares covered by an Award shall be subtracted from the Plan share reserve as of the Grant Date, but shall be added back to the Plan share reserve or otherwise treated in accordance with subsections (a) through (g) of this Section 5.2.

- (a) To the extent that an Award is canceled, terminates, expires, is forfeited or lapses for any reason (including by reason of failure to achieve maximum performance goals), any unissued or forfeited Shares

subject to

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the Award will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

(b) Shares subject to Awards settled in cash will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

(c) Shares withheld from an Award to satisfy tax withholding requirements will count against the number of Shares remaining available for issuance pursuant to Awards granted under the Plan, and Shares delivered by a participant to satisfy tax withholding requirements will not be added to the Plan share reserve.

(d) The full number of Shares subject to an Option shall count against the number of Shares remaining available for issuance pursuant to Awards granted under the Plan, even if the exercise price of an Option is satisfied through net-settlement or by delivering Shares to the Company (by either actual delivery or attestation).

(e) The full number of Shares subject to a SAR shall count against the number of Shares remaining available for issuance pursuant to Awards made under the Plan (rather than the net number of Shares actually delivered upon exercise).

(f) Substitute Awards granted pursuant to Section 13.10 of the Plan shall not count against the Shares otherwise available for issuance under the Plan under Section 5.1.

(g) Subject to applicable Exchange requirements, shares available under a stockholder-approved plan of a company acquired by the Company (as appropriately adjusted to Shares to reflect the transaction) may be issued under the Plan pursuant to Awards granted to individuals who were not employees of the Company or its Affiliates immediately before such transaction and will not count against the maximum share limitation specified in Section 5.1.

5.3 STOCK DISTRIBUTED. Any Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased on the open market.

5.4 LIMITATION ON AWARDS. Notwithstanding any provision in the Plan to the contrary (but subject to adjustment as provided in Article 14):

(a) During the term of the Plan, the maximum number of Shares that may be issued upon exercise of Incentive Stock Options granted under the Plan shall be 250,000.

(b) During any calendar year, no Participant shall receive Options or Stock Appreciation Rights covering (in the aggregate) more than 250,000 Shares.

(c) During any calendar year, no Participant shall receive Restricted Stock, Restricted Stock Units or Deferred Stock Units (other than Performance Awards) covering (in the aggregate) more than 250,000 Shares.

(d) During any calendar year, the maximum amount that may be earned by any single Participant for Performance Awards shall be 250,000 Shares. For purposes of applying these limits in the case of multi-year Performance Periods, the dollar amount or number of shares deemed earned in any one calendar year is the total amount paid or shares earned for the Performance Period divided by the number of calendar years in the Performance Period. In applying this limit, the amount of any cash or the Fair Market Value or number of any shares of Common Stock or other property earned by a Participant shall be measured as of the close of the final year of the Performance Period regardless of the fact that certification by the Committee and actual payment or release of restrictions to the Participant may occur in a subsequent calendar year or years.

5.5 LIMITATION ON COMPENSATION FOR NON-EMPLOYEE DIRECTORS. With respect to any one calendar year, the aggregate compensation that may be granted or awarded to any one Non-Employee Director, including all meeting fees, cash retainers and retainers granted in the form of Awards, shall not exceed \$500,000, or \$750,000 in the case

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of a non-employee Chairman of the Board or Lead Director. For purposes of such limit, the value of Awards will be determined based on the aggregate Grant Date fair value of all awards issued to the director in such year (computed in accordance with applicable financial accounting rules).

ARTICLE 6

ELIGIBILITY

6.1 GENERAL. Awards may be granted only to Eligible Participants. Incentive Stock Options may be granted only to Eligible Participants who are employees of the Company or a Parent or Subsidiary as defined in Section 424(e) and (f) of the Code. Eligible Participants who are service providers to an Affiliate may be granted Options or SARs under this Plan only if the Affiliate qualifies as an “eligible issuer of service recipient stock” within the meaning of §1.409A-1(b)(5)(iii)(E) of the final regulations under Code Section 409A.

ARTICLE 7

STOCK OPTIONS

7.1 GENERAL. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share under an Option shall be determined by the Committee, provided that the exercise price for any Option (other than an Option issued as a substitute Award pursuant to Section 13.10) shall not be less than the Fair Market Value as of the Grant Date.

(b) Prohibition on Repricing. Except as otherwise provided in Article 14, without the prior approval of stockholders of the Company: (i) the exercise price of an Option may not be reduced, directly or indirectly, (ii) an Option may not be cancelled in exchange for cash, other Awards or Options or SARs with an exercise or base price that is less than the exercise price of the original Option, and (iii) the Company may not repurchase an Option for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option is lower than the exercise price per share of the Option.

(c) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, subject to Sections 7.1(e) and 13.6, and may include in the Award Certificate a provision that an Option that is otherwise exercisable and has an exercise price that is less than the Fair Market Value of the Stock on the last day of its term will be automatically exercised on such final date of the term by means of a “net exercise,” thus entitling the optionee to Shares equal to the intrinsic value of the Option on such exercise date, less the number of Shares required for tax withholding. The Committee shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised or vested.

(d) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, and the methods by which Shares shall be delivered or deemed to be delivered to Participants. As determined by the Committee at or after the Grant Date, payment of the exercise price of an Option may be made, in whole or in part, in the form of (i) cash or cash equivalents, (ii) delivery (by either actual delivery or attestation) of previously-acquired Shares based on the Fair Market Value of the Shares on the date the Option is exercised, (iii) withholding of Shares from the Option based on the Fair Market Value of the Shares on the date the Option is exercised, (iv) broker-assisted market sales, or (v) any other “cashless exercise” arrangement.

(e) Exercise Term. Except for Nonstatutory Options granted to Participants outside the United States, no Option granted under the Plan shall be exercisable for more than ten years from the Grant Date.

(f) No Deferral Feature. No Option shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the Option.

(g) No Dividend Equivalents. No Option shall provide for Dividend Equivalents.

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7.2 INCENTIVE STOCK OPTIONS. The terms of any Incentive Stock Options granted under the Plan must comply with the requirements of Section 422 of the Code. Without limiting the foregoing, any Incentive Stock Option granted to a Participant who at the Grant Date owns more than 10% of the voting power of all classes of shares of the Company must have an exercise price per Share of not less than 110% of the Fair Market Value per Share on the Grant Date and an Option term of not more than five years. If all of the requirements of Section 422 of the Code (including the above) are not met, the Option shall automatically become a Nonstatutory Stock Option.

ARTICLE 8

STOCK APPRECIATION RIGHTS

8.1 GRANT OF STOCK APPRECIATION RIGHTS. The Committee is authorized to grant Stock Appreciation Rights to Participants on the following terms and conditions:

(a) Right to Payment. Upon the exercise of a SAR, the Participant has the right to receive, for each Share with respect to which the SAR is being exercised, the excess, if any, of:

- (1) The Fair Market Value of one Share on the date of exercise; over
- (2) The base price of the SAR as determined by the Committee and set forth in the Award Certificate, which (except for a SAR issued as a substitute Award pursuant to Section 13.10) shall not be less than the Fair Market Value of one Share on the Grant Date.

(b) Prohibition on Repricing. Except as otherwise provided in Article 14, without the prior approval of the stockholders of the Company, (i) the base price of a SAR may not be reduced, directly or indirectly, (ii) a SAR may not be cancelled in exchange for cash, other Awards, or Options or SARs with an exercise or base price that is less than the base price of the original SAR, and (iii) the Company may not repurchase a SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the SAR is lower than the base price per share of the SAR.

(c) Time and Conditions of Exercise. The Committee shall determine the time or times at which a SAR may be exercised in whole or in part, subject to Section 13.6, and may include in the Award Certificate a provision that a SAR that is otherwise exercisable and has a base price that is less than the Fair Market Value of the Stock on the last day of its term will be automatically exercised on such final date of the term, thus entitling the holder to cash or Shares equal to the intrinsic value of the SAR on such exercise date, less the cash or number of Shares required for tax withholding. No SAR shall be exercisable for more than ten years from the Grant Date.

(d) No Deferral Feature. No SAR shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the SAR.

(e) No Dividend Equivalents. No SAR shall provide for Dividend Equivalents.

(f) Other Terms. All SARs shall be evidenced by an Award Certificate. Subject to the limitations of this Article 8, the terms, methods of exercise, methods of settlement, form of consideration payable in settlement (e.g., cash, Shares or other property), and any other terms and conditions of the SAR shall be determined by the Committee at the time of the grant and shall be reflected in the Award Certificate.

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ARTICLE 9

RESTRICTED STOCK AND STOCK UNITS

9.1 GRANT OF RESTRICTED STOCK AND STOCK UNITS. The Committee is authorized to make Awards of Restricted Stock, Restricted Stock Units or Deferred Stock Units to Participants in such amounts and subject to such terms and conditions as may be selected by the Committee. An Award of Restricted Stock, Restricted Stock Units or Deferred Stock Units shall be evidenced by an Award Certificate setting forth the terms, conditions, and restrictions applicable to the Award.

9.2 ISSUANCE AND RESTRICTIONS. Restricted Stock, Restricted Stock Units or Deferred Stock Units shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, for example, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, upon the satisfaction of performance goals or otherwise, as the Committee determines, subject to Section 13.6, at the time of the grant of the Award or thereafter. A Participant shall have none of the rights of a stockholder with respect to Restricted Stock Units or Deferred Stock Units until such time as Shares of Stock are paid in settlement of such Awards.

9.3 DIVIDENDS AND DIVIDEND EQUIVALENTS. Dividends accrued on shares of Restricted Stock or Dividend Equivalents accrued with respect to Restricted Stock Units or Deferred Stock Units before the underlying Awards are vested shall be credited by the Company to an account for the Participant and accumulated without interest until the date upon which the host Award becomes vested, and any dividends or Dividend Equivalents accrued with respect to forfeited Restricted Stock, Restricted Stock Units or Deferred Stock Units will be reconveyed to the Company without further consideration or any act or action by the Participant. In no event shall dividends be paid or distributed until the vesting restrictions of the underlying Award lapse.

9.4 FORFEITURE. Subject to the terms of the Award Certificate and except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of Continuous Service during the applicable restriction period or upon failure to satisfy a performance goal during the applicable restriction period, Restricted Stock or Restricted Stock Units that are at that time subject to restrictions shall be forfeited.

9.5 DELIVERY OF RESTRICTED STOCK. Shares of Restricted Stock shall be delivered to the Participant at the Grant Date either by book-entry registration or by delivering to the Participant, or a custodian or escrow agent (including, without limitation, the Company or one or more of its employees) designated by the Committee, a stock certificate or certificates registered in the name of the Participant. If physical certificates representing shares of Restricted Stock are registered in the name of the Participant, such certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

ARTICLE 10

PERFORMANCE AWARDS

10.1 GRANT OF PERFORMANCE AWARDS. The Committee is authorized to grant any Award under this Plan, including cash-based Awards, with performance-based vesting criteria, on such terms and conditions as may be selected by the Committee. Any such Awards with performance-based vesting criteria are referred to herein as Performance Awards. The Committee shall have the complete discretion to determine the number of Performance Awards granted to each Participant and to designate the provisions of such Performance Awards as provided in Section 4.3. All Performance Awards shall be evidenced by an Award Certificate or a written program established by the Committee, pursuant to which Performance Awards are awarded under the Plan under uniform terms, conditions and restrictions set forth in such written program.

10.2 PERFORMANCE GOALS. The Committee may establish performance goals for Performance Awards which may be based on any criteria selected by the Committee. Performance goals may be described in terms of Company-wide objectives or in terms of objectives that relate to the performance of

the Participant, an Affiliate or a division, region, department or function within the Company or an Affiliate. Performance goals may be specified in absolute terms, in percentages, or in terms of growth from period to period or growth rates over time, as well as measured relative to the performance of a group of comparator companies, or a published or special index, or a stock market index, that the Committee deems appropriate. Performance Goals need not be based upon an increase or positive result under a business criterion and

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could include, for example, the maintenance of the status quo or the limitation of economic losses (measured, in each case, by reference to a specific business criterion). If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company or the manner in which the Company or an Affiliate conducts its business, or other events or circumstances render performance goals to be unsuitable, the Committee may modify such performance goals in whole or in part, as the Committee deems appropriate. If a Participant is promoted, demoted or transferred to a different business unit or function during a performance period, the Committee may determine that the performance goals or performance period are no longer appropriate and may (i) adjust, change or eliminate the performance goals or the applicable performance period as it deems appropriate to make such goals and period comparable to the initial goals and period, or (ii) make a cash payment to the participant in an amount determined by the Committee.

ARTICLE 11

DIVIDEND EQUIVALENTS

11.1 GRANT OF DIVIDEND EQUIVALENTS. The Committee is authorized to grant Dividend Equivalents with respect to Full-Value Awards granted hereunder. Dividend Equivalents shall entitle the Participant to receive payments equal to ordinary cash dividends or distributions with respect to all or a portion of the number of Shares subject to a Full-Value Award, as determined by the Committee. Notwithstanding anything to the contrary, Dividend Equivalents accruing on unvested Full-Value Awards shall, as provided in the Award Certificate, either (i) be reinvested in the form of additional Shares (subject to Share availability under Section 5.1 hereof), which shall be subject to the same vesting provisions as provided for the host Award, or (ii) be credited by the Company to an account for the Participant and accumulated without interest until the date upon which the host Award becomes vested, and, in either case, any Dividend Equivalents accrued with respect to forfeited Awards will be reconveyed to the Company without further consideration or any act or action by the Participant. In no event shall Dividend Equivalents be paid or distributed until the vesting restrictions of the underlying Full-Value Award lapse.

ARTICLE 12

STOCK OR OTHER STOCK-BASED AWARDS

12.1 GRANT OF STOCK OR OTHER STOCK-BASED AWARDS. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares, as deemed by the Committee to be consistent with the purposes of the Plan, including without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, including limited partnership interests in a limited partnership entity of which the Company is general partner that may be exchanged or redeemed for Shares on a one-for-one basis, or any profits interest in such limited partnership entity that may be exchanged or converted into such limited partnership interests, and Awards valued by reference to book value or net asset value of Shares or the value of securities of or the performance of specified Parents or Subsidiaries. The Committee shall determine the terms and conditions of such Awards.

ARTICLE 13

PROVISIONS APPLICABLE TO AWARDS

13.1 AWARD CERTIFICATES. Each Award shall be evidenced by an Award Certificate. Each Award Certificate shall include such provisions, not inconsistent with the Plan, as may be specified by the Committee.

13.2 FORM OF PAYMENT FOR AWARDS. At the discretion of the Committee, payment of Awards may be made in cash, Stock, a combination of cash and Stock, or any other form of property as the Committee shall determine. In addition, payment of Awards may include such terms, conditions, restrictions and/or limitations, if any, as the Committee deems appropriate, including, in the case of Awards paid in the form of Stock, restrictions on transfer and forfeiture provisions. Further, payment of Awards may be made in the form of a lump sum, or in installments, as determined by the Committee.

13.3 LIMITS ON TRANSFER.

(a) Each Award and each right under any Award shall be exercisable only by the holder thereof during such holder's lifetime, or, if permissible under applicable law, by such holder's guardian or legal representative or by a transferee

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receiving such Award pursuant to a domestic relations order (a “QDRO”) as defined in Section 414(p)(1)(B) of the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder.

(b) No Award (prior to the time, if applicable, Shares are delivered in respect of such Award), and no right under any Award, may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a grantee otherwise than by will or by the laws of descent and distribution (or in the case of Restricted Stock, to the Company) or pursuant to a QDRO, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary to receive benefits in the event of the grantee’s death shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(c) Notwithstanding subsections (a) and (b) above, to the extent provided in the Award Certificate, Awards (other than Incentive Stock Options and corresponding Awards), may be transferred, without consideration, to a Permitted Transferee. For this purpose, a “Permitted Transferee” in respect of any grantee means any member of the Immediate Family of such grantee, any trust of which all of the primary beneficiaries are such grantee or members of his or her Immediate Family, or any partnership (including limited liability companies and similar entities) of which all of the partners or members are such grantee or members of his or her Immediate Family; and the “Immediate Family” of a grantee means the grantee’s spouse, any person sharing the grantee’s household (other than a tenant or employee), children, stepchildren, grandchildren, parents, stepparents, siblings, grandparents, nieces and nephews. Such Award may be exercised by such transferee in accordance with the terms of the Award Certificate.

(d) Nothing herein shall be construed as requiring the Company or any Affiliate to honor a QDRO except to the extent required under applicable law.

13.4 BENEFICIARIES. Notwithstanding Section 13.3, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant’s death. A Permitted Transferee, beneficiary, legal guardian, legal representative, or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Certificate applicable to the Participant, except to the extent the Plan and Award Certificate otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, any payment due to the Participant shall be made to the Participant’s estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant, in the manner provided by the Company, at any time provided the change or revocation is filed with the Committee.

13.5 STOCK TRADING RESTRICTIONS. All Stock issuable under the Plan is subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate or issue instructions to the transfer agent to reference restrictions applicable to the Stock.

13.6 MINIMUM VESTING REQUIREMENTS. Notwithstanding any other provision of the Plan to the contrary, equity-based Awards (or any portion thereof) granted under the Plan shall vest no earlier than the first anniversary of the date the Award is granted; provided, that the following Awards shall not be subject to the foregoing minimum vesting requirement: any (i) substitute Awards granted pursuant to Section 13.10, (ii) Awards to Non-Employee Directors that vest on the earlier of the one-year anniversary of the date of grant and the date of the next annual meeting of stockholders after the immediately preceding year’s annual meeting (provided that the period between annual meetings is not less than 50 weeks), and (iii) any additional Awards the Committee may grant, up to a maximum of five percent (5%) of the available share reserve authorized for issuance under the Plan pursuant to Section 5.1 (subject to adjustment under Section 14.1).

13.7 EFFECT OF A CHANGE IN CONTROL. The provisions of this Section 13.7 shall apply in the case of a Change in Control.

(a) Awards Assumed or Substituted by Surviving Entity. With respect to Awards assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with a Change in Control: if within two years after the effective date of the Change in Control, a Participant's service is terminated without Cause or the Participant resigns for

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Good Reason, then (i) all of that Participant's outstanding Options, SARs and other Awards in the nature of rights that may be exercised shall become fully exercisable, (ii) all time-based vesting restrictions on the his or her outstanding Awards shall lapse, and (iii) the payout level under all of that Participant's performance-based Awards that were outstanding immediately prior to effective time of the Change in Control shall be determined and deemed to have been earned as of the date of termination based upon (A) an assumed achievement of all relevant performance goals at the "target" level if the date of termination occurs during the first half of the applicable performance period, or (B) the actual level of achievement of all relevant performance goals against target (measured as of the end of the calendar quarter immediately preceding the date of termination), if the date of termination occurs during the second half of the applicable performance period, and, in either such case, there shall be a prorata payout to such Participant within sixty (60) days following the date of termination of service (unless a later date is required by Section 16.3(d) hereof), based upon the length of time within the performance period that has elapsed prior to the date of termination of service. With regard to each Award, a Participant shall not be considered to have resigned for Good Reason unless either (i) the Award Certificate includes such provision or (ii) the Participant is party to an employment, severance or similar agreement with the Company or an Affiliate that includes provisions in which the Participant is permitted to resign for Good Reason. Any Awards shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Certificate.

(b) Awards not Assumed or Substituted by Surviving Entity. Upon the occurrence of a Change in Control, and except with respect to any Awards assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with the Change in Control in a manner approved by the Committee or the Board: (i) outstanding Options, SARs and other Awards in the nature of rights that may be exercised shall become fully exercisable, (ii) time-based vesting restrictions on outstanding Awards shall lapse, and (iii) the target payout opportunities attainable under outstanding performance-based Awards shall be deemed to have been fully earned as of the effective date of the Change in Control based upon (A) an assumed achievement of all relevant performance goals at the "target" level if the Change in Control occurs during the first half of the applicable performance period, or (B) the actual level of achievement of all relevant performance goals against target measured as of the date of the Change in Control, if the Change in Control occurs during the second half of the applicable performance period, and, in either such case, there shall be a prorata payout to Participants within sixty (60) days following the Change in Control (unless a later date is required by Section 16.3(d) hereof), based upon the length of time within the performance period that has elapsed prior to the Change in Control. Any Awards shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Certificate.

13.8 DISCRETION TO ACCELERATE AWARDS. The Committee may in its sole discretion determine that, upon the termination of service of a Participant all or a portion of such Participant's Options, SARs and other Awards in the nature of rights that may be exercised shall become fully or partially exercisable, that all or a part of the time-based restrictions on all or a portion of the Participant's outstanding Awards shall lapse, and/or that any performance-based criteria with respect to any Awards held by the Participant shall be deemed to be wholly or partially satisfied, in each case, as of such date as the Committee may, in its sole discretion, declare. The Committee may discriminate among Participants and among Awards granted to a Participant in exercising its discretion pursuant to this Section 13.8.

13.9 FORFEITURE EVENTS. Awards under the Plan shall be subject to any compensation recoupment policy that the Company may adopt from time to time that is applicable by its terms to the Participant. In addition, the Committee may specify in an Award Certificate that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, (i) termination of employment for cause, (ii) violation of material Company or Affiliate policies, (iii) breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant, (iv) other conduct by the Participant that is detrimental to the business or reputation of the Company or any Affiliate, or (v) a later

determination that the vesting of, or amount realized from, a Performance Award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not the Participant caused or contributed to such material inaccuracy. Nothing contained herein or in any Award Certificate prohibits the Participant from: (1) reporting possible violations of federal law or regulations, including any possible securities laws violations, to any governmental agency or entity; (2) making any other disclosures that are protected under the whistleblower provisions of federal law or regulations; or (3) otherwise fully participating in any federal whistleblower programs, including but not limited to any such programs managed by the U.S. Securities and Exchange.

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13.10 **SUBSTITUTE AWARDS.** The Committee may grant Awards under the Plan in substitution for stock and stock-based awards held by employees of another entity who become employees of the Company or an Affiliate as a result of a merger or consolidation of the former employing entity with the Company or an Affiliate or the acquisition by the Company or an Affiliate of property or stock of the former employing corporation. The Committee may direct that the substitute awards be granted on such terms and conditions as the Committee considers appropriate in the circumstances.

ARTICLE 14**CHANGES IN CAPITAL STRUCTURE**

14.1 **MANDATORY ADJUSTMENTS.** In the event of a nonreciprocal transaction between the Company and its stockholders that causes the per-share value of the Stock to change (including, without limitation, any stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividend), the authorization limits under Section 5.1 and 5.4 shall be adjusted proportionately, and the Committee shall make such adjustments to the Plan and Awards as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction. Action by the Committee may include: (i) adjustment of the number and kind of shares that may be delivered under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the exercise price of outstanding Awards or the measure to be used to determine the amount of the benefit payable on an Award; and (iv) any other adjustments that the Committee determines to be equitable. Notwithstanding the foregoing, the Committee shall not make any adjustments to outstanding Options or SARs that would constitute a modification or substitution of the stock right under Treas. Reg. Section 1.409A-1(b)(5)(v) that would be treated as the grant of a new stock right or change in the form of payment for purposes of Code Section 409A. Without limiting the foregoing, in the event of a subdivision of the outstanding Stock (stock-split), a declaration of a dividend payable in Shares, or a combination or consolidation of the outstanding Stock into a lesser number of Shares, the authorization limits under Section 5.1 and 5.4 shall automatically be adjusted proportionately, and the Shares then subject to each Award shall automatically, without the necessity for any additional action by the Committee, be adjusted proportionately without any change in the aggregate purchase price therefor.

14.2 **DISCRETIONARY ADJUSTMENTS.** Upon the occurrence or in anticipation of any corporate event or transaction involving the Company (including, without limitation, any merger, reorganization, recapitalization, combination or exchange of shares, or any transaction described in Section 14.1), the Committee may, in its sole discretion, provide (i) that Awards will be settled in cash rather than Stock, (ii) that Awards will become immediately vested and non-forfeitable and exercisable (in whole or in part) and will expire after a designated period of time to the extent not then exercised, (iii) that Awards will be assumed by another party to a transaction or otherwise be equitably converted or substituted in connection with such transaction, (iv) that outstanding Awards may be settled by payment in cash or cash equivalents equal to the excess of the Fair Market Value of the underlying Stock, as of a specified date associated with the transaction, over the exercise or base price of the Award, (v) that performance targets and performance periods for Performance Awards will be modified, or (vi) any combination of the foregoing. The Committee's determination need not be uniform and may be different for different Participants whether or not such Participants are similarly situated.

14.3 **GENERAL.** Any discretionary adjustments made pursuant to this Article 14 shall be subject to the provisions of Section 15.2. To the extent that any adjustments made pursuant to this Article 14 cause Incentive Stock Options to cease to qualify as Incentive Stock Options, such Options shall be deemed to be Nonstatutory Stock Options.

ARTICLE 15**AMENDMENT, MODIFICATION AND TERMINATION**

15.1 **AMENDMENT, MODIFICATION AND TERMINATION.** The Board or the Committee may, at any time and from time to time, amend, modify or terminate the Plan without stockholder approval; provided, however, that if an amendment to the Plan would, in the reasonable opinion of the Board or the

Committee, either (i) materially increase the number of Shares available under the Plan (other than pursuant to Article 14), (ii) expand the types of awards under the Plan, (iii) materially expand the class of participants eligible to participate in the Plan, (iv) materially extend the term of the Plan, or (v) otherwise constitute a material change requiring stockholder approval under applicable laws, policies or regulations or the applicable listing or other requirements of an Exchange, then such amendment shall be subject to stockholder approval; and provided, further, that the Board or Committee may condition any other amendment or modification on the approval of stockholders of the Company for any reason, including by reason of such approval being necessary or deemed advisable (i)

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to comply with the listing or other requirements of an Exchange, or (ii) to satisfy any other tax, securities or other applicable laws, policies or regulations. Except as otherwise provided in Section 14.1, without the prior approval of the stockholders of the Company, the Plan may not be amended to permit: (i) the exercise price or base price of an Option or SAR to be reduced, directly or indirectly, (ii) an Option or SAR to be cancelled in exchange for cash, other Awards, or Options or SARs with an exercise or base price that is less than the exercise price or base price of the original Option or SAR, or (iii) the Company to repurchase an Option or SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR.

15.2 AWARDS PREVIOUSLY GRANTED. At any time and from time to time, the Committee may amend, modify or terminate any outstanding Award without approval of the Participant; provided, however:

(a) Subject to the terms of the applicable Award Certificate, such amendment, modification or termination shall not, without the Participant's consent, reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment or termination (with the per-share value of an Option or SAR for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment or termination over the exercise or base price of such Award);

(b) Except as otherwise provided in Section 14.1, without the prior approval of the stockholders of the Company, (i) the exercise price of an Option or base price of a SAR may not be reduced, directly or indirectly, (ii) an option or SAR may not be cancelled in exchange for cash, other Awards or Options or SARs with an exercise or base price that is less than the exercise price or base price of the original Option or SAR, or otherwise, and (iii) the Company may not repurchase an Option or SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR; and

(c) No termination, amendment, or modification of the Plan shall adversely affect in any material respect any Award previously granted under the Plan, without the written consent of the Participant affected thereby. An outstanding Award shall not be deemed to be "adversely affected" by a Plan amendment if such amendment would not reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment (with the per-share value of an Option or SAR for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment over the exercise or base price of such Award).

15.3 COMPLIANCE AMENDMENTS. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, the Board may amend the Plan or an Award Certificate, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or Award Certificate to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder. By accepting an Award under this Plan, a Participant agrees to any amendment made pursuant to this Section 15.3 to any Award granted under the Plan without further consideration or action.

ARTICLE 16

GENERAL PROVISIONS

16.1 RIGHTS OF PARTICIPANTS.

(a) No Participant or any Eligible Participant shall have any claim to be granted any Award under the Plan. Neither the Company, its Affiliates nor the Committee is obligated to treat Participants or Eligible Participants uniformly, and determinations made under the Plan may be made by the Committee selectively among Eligible Participants who receive, or are eligible to receive, Awards (whether or not such Eligible Participants are similarly situated).

(b) Nothing in the Plan, any Award Certificate or any other document or statement made with respect to the Plan, shall interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant's employment or status as an officer, or any Participant's service as a director or consultant, at any

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nor confer upon any Participant any right to continue as an employee, officer, director or consultant of the Company or any Affiliate, whether for the duration of a Participant's Award or otherwise.

(c) Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company or any Affiliate and, accordingly, subject to Article 15, this Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Committee without giving rise to any liability on the part of the Company or any of its Affiliates.

(d) No Award gives a Participant any of the rights of a stockholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

16.2 WITHHOLDING. The Company or any Affiliate shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company or such Affiliate, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any exercise, lapse of restriction or other taxable event arising as a result of the Plan. The obligations of the Company under the Plan will be conditioned on such payment or arrangements and the Company or such Affiliate will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant. Unless otherwise determined by the Committee at the time the Award is granted or thereafter, any such withholding requirement may be satisfied, in whole or in part, by withholding from the Award Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld in accordance with applicable tax requirements (up to the maximum individual statutory rate in the applicable jurisdiction as may be permitted under then-current accounting principles to qualify for equity classification), in accordance with such procedures as the Committee establishes. All such elections shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

16.3 SPECIAL PROVISIONS RELATED TO SECTION 409A OF THE CODE.

(a) General. It is intended that the payments and benefits provided under the Plan and any Award shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. The Plan and all Award Certificates shall be construed in a manner that effects such intent. Nevertheless, the tax treatment of the benefits provided under the Plan or any Award is not warranted or guaranteed. Neither the Company, its Affiliates nor their respective directors, officers, employees or advisers (other than in his or her capacity as a Participant) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant or other taxpayer as a result of the Plan or any Award.

(b) Definitional Restrictions. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable, or a different form of payment (e.g., lump sum or installment) of such Non-Exempt Deferred Compensation would be effected, under the Plan or any Award Certificate by reason of the occurrence of a Change in Control, or the Participant's Disability or separation from service, such Non-Exempt Deferred Compensation will not be payable or distributable to the Participant, and/or such different form of payment will not be effected, by reason of such circumstance unless the circumstances giving rise to such Change in Control, Disability or separation from service meet any description or definition of "change in control event", "disability" or "separation from service", as the case may be, in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definition). This provision does not prohibit the vesting of any Award upon a Change in Control, Disability or separation from service, however defined. If this provision prevents the payment or distribution of any amount or benefit, or the application of a different form of payment of any amount or benefit, such payment or distribution shall be made at the time and in the form that would have applied absent the non-409A-conforming event.

(c) Allocation among Possible Exemptions. If any one or more Awards granted under the Plan to a Participant could qualify for any separation pay exemption described in Treas. Reg. Section 1.409A-1(b)(9), but such Awards in the aggregate exceed the dollar limit permitted for the separation pay exemptions, the

Company shall determine which Awards or portions thereof will be subject to such exemptions.

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(d) **Six-Month Delay in Certain Circumstances.** Notwithstanding anything in the Plan or in any Award Certificate to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Plan or any Award Certificate by reason of a Participant's separation from service during a period in which the Participant is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes): (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following the Participant's separation from service will be accumulated through and paid or provided on the first day of the seventh month following the Participant's separation from service (or, if the Participant dies during such period, within 30 days after the Participant's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period. For purposes of this Plan, the term "Specified Employee" has the meaning given such term in Code Section 409A and the final regulations thereunder.

(e) **Installment Payments.** If, pursuant to an Award, a Participant is entitled to a series of installment payments, such Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not to a single payment. For purposes of the preceding sentence, the term "series of installment payments" has the meaning provided in Treas. Reg. Section 1.409A-2(b)(2)(iii) (or any successor thereto).

(f) **Timing of Release of Claims** Whenever an Award conditions a payment or benefit on the Participant's execution and non-revocation of a release of claims, such release must be executed and all revocation periods shall have expired within sixty (60) days after the date of termination of the Participant's employment; failing which such payment or benefit shall be forfeited. If such payment or benefit is exempt from Section 409A of the Code, the Company may elect to make or commence payment at any time during such 60-day period. If such payment or benefit constitutes Non-Exempt Deferred Compensation, then, subject to subsection (c) above, (i) if such 60-day period begins and ends in a single calendar year, the Company may make or commence payment at any time during such period at its discretion, and (ii) if such 60-day period begins in one calendar year and ends in the next calendar year, the payment shall be made or commence during the second such calendar year (or any later date specified for such payment under the applicable Award), even if such signing and non-revocation of the release occur during the first such calendar year included within such 60-day period. In other words, a Participant is not permitted to influence the calendar year of payment based on the timing of signing the release.

(g) **Permitted Acceleration.** The Company shall have the sole authority to make any accelerated distribution permissible under Treas. Reg. Section 1.409A-3(j)(4) to Participants of deferred amounts, provided that such distribution(s) meets the requirements of Treas. Reg. Section 1.409A-3(j)(4).

16.4 UNFUNDED STATUS OF AWARDS. The Plan is intended to be an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Certificate shall give the Participant any rights that are greater than those of a general creditor of the Company or any Affiliate. In its sole discretion, the Committee may authorize the creation of grantor trusts or other arrangements to meet the obligations created under the Plan to deliver Shares or payments in lieu of Shares or with respect to Awards. This Plan is not intended to be subject to ERISA.

16.5 RELATIONSHIP TO OTHER BENEFITS. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Company or any Affiliate unless provided otherwise in such other plan. Nothing contained in the Plan will prevent the Company from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

16.6 EXPENSES. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

16.7 TITLES AND HEADINGS. The titles and headings of the Sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

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16.8 GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

16.9 FRACTIONAL SHARES. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down.

16.10 GOVERNMENT AND OTHER REGULATIONS.

(a) Notwithstanding any other provision of the Plan, no Participant who acquires Shares pursuant to the Plan may, during any period of time that such Participant is an affiliate of the Company (within the meaning of the rules and regulations of the Securities and Exchange Commission under the 1933 Act), sell such Shares, unless such offer and sale is made (i) pursuant to an effective registration statement under the 1933 Act, which is current and includes the Shares to be sold, or (ii) pursuant to an appropriate exemption from the registration requirement of the 1933 Act, such as that set forth in Rule 144 promulgated under the 1933 Act.

(b) Notwithstanding any other provision of the Plan, if at any time the Committee shall determine that the registration, listing or qualification of the Shares covered by an Award upon any Exchange or under any foreign, federal, state or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the purchase or receipt of Shares thereunder, no Shares may be purchased, delivered or received pursuant to such Award unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Committee. Any Participant receiving or purchasing Shares pursuant to an Award shall make such representations and agreements and furnish such information as the Committee may request to assure compliance with the foregoing or any other applicable legal requirements. The Company shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to the Committee's determination that all related requirements have been fulfilled. The Company shall in no event be obligated to register any securities pursuant to the 1933 Act or applicable state or foreign law or to take any other action in order to cause the issuance and delivery of such certificates to comply with any such law, regulation or requirement.

16.11 GOVERNING LAW. To the extent not governed by federal law, the Plan and all Award Certificates shall be construed in accordance with and governed by the laws of the State of Delaware.

16.12 SEVERABILITY. In the event that any provision of this Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.

16.13 NO LIMITATIONS ON RIGHTS OF COMPANY. The grant of any Award shall not in any way affect the right or power of the Company to make adjustments, reclassification or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets. The Plan shall not restrict the authority of the Company, for proper corporate purposes, to draft or assume awards, other than under the Plan, to or with respect to any person. If the Committee so directs, the Company may issue or transfer Shares to an Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Affiliate will transfer such Shares to a Participant in accordance with the terms of an Award granted to such Participant and specified by the Committee pursuant to the provisions of the Plan.

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The foregoing is hereby acknowledged as being the FirstCash, Inc. 2019 Long-Term Incentive Plan as adopted by the Board on April 23, 2019 [and approved by the Company's stockholders on June 11, 2019].

FIRSTCASH, INC.

By: _____
Name:
Title:

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