

RAC National Product Service 2009 Incentive Award Program

Program Objectives

- Maintain cost to the company at budgeted targets
- Support store level operations via Quality Objectives
- Limit liability to company via Ownership Objectives

Program Date

- Program will run from January 1, 2009 to December 31, 2009

Program Participants

- **Product Service District Managers** – Product Service District Managers will compete with their peers to be measured via the Key Performance Indicators (KPI) ranking report.
- **Field Directors** – Field Directors will compete with their peers.

Program Description

The program consists of three portions, an incentive award portion that is awarded quarterly and an incentive trip portion based on performance for the year. There is an additional component, a quarterly and year-end drawing for the top 2 Product Service District Managers.

- **Quarterly Incentive Awards (Pick-A-Prize)**
Incentive awards will be given at the end of each of the four quarters of the year. There will be two tiers of awards within the competition group. The top 3 ranking PSDM will be eligible for the Platinum level, and the next 5 ranking PSDM will be eligible for the Gold level. Each will have a choice of awards to select from and will be given a 30-day period to select an award. If they fail to make a selection within the allotted timeframe, they will be sent a default award. There is no cash option on the awards.
- **Annual Incentive Trip (President's Trip)**
Based on year end KPI's, the top (2) ranked Product Service District Manager and the top ranked Field Director will be eligible to take the President's Incentive Award Trip, a Caribbean cruise, and be accompanied by a guest. There is no cash option for the trip.
- **Quarterly and Year-End Drawings (Product Service District Managers)**
The top 3 ranked Product Service District Managers for 1st, 2nd and 3rd quarter will automatically earn an entry in a Quarterly Prize Drawing for that quarter.

A select group of 3 top performing Product Service District Managers will have the opportunity to win a special prize at the end of the year. These top 3 DM's will be the final YTD ranking position of 3, 4 and 5.

Program Changes

RAC National Product Service reserves the right to make program changes as needed without notice.

Program Rules

1. Key Metrics

We will use seven weighted Key Performance Indicators to measure service center level qualifying performance.

- a. **Labor Expense** – Defined as the total Labor cost to conduct business at a Service Center or Division measured as a variance to budget.
- b. **Net Cost** – Defined as the total Net cost to conduct business at a Service Center or Division measured as a variance to budget.
- c. **Zero to Six Day Speed of Service** - Defined as the percentage of repairs completed within 6 days of the Shuttle In Date per Service Center or Division.
- d. **Average Days** - Defined as the average number of days to complete all repairs per Service Center or Division.
- e. **PSA Units > 30 Days Old** - Defined as the total number of RAC “open” items per Service Center or Division, divided by the number of RAC locations serviced by the Center or the Division and expressed as a Per Store Average.
- f. **Finalized Warranty Claims %** - Defined as the number of finalized claims divided by total claims submitted by a Service Center or Division, and expressed as a percentage.
- g. **Dud Return Compliance %** - Defined as the number of entries in the 403 dud screen divided by the total number of return opportunities as calculated by PSS and measured as a percentage for the Service Center or Division.

2. Calculating Points

Every month points will be calculated for Product Service District Managers, and Field Directors.

a. Calculation of points for Product Service District Managers

The points for Product Service District Managers will be the “Score” as calculated by the KPI ranking report on a monthly and annual basis. The quarterly calculation of points will be the average of the “Score” for the 3 months comprising the quarter in consideration.

b. Calculation of points for Field Directors

The points for Field Directors will be the will be the “Score” as calculated by the KPI ranking report on a monthly and annual basis. The quarterly calculation of points will be the average of the “Score” for the 3 months comprising the quarter in consideration.

Ranking and Earning Quarterly Incentive Awards

You may earn awards quarterly based on the quarterly calculation of the average of the “Score” for the 3 months comprising the quarter.

3. Reports

The KPI Ranking Report will be used for the program, managed by RAC National Product Service Corporate Office and will be published monthly.

4. Top Performer Travel Award

The top (2) performing Product Service District Manager, and (1) Field Director, including one guest each, will earn the incentive travel award that is scheduled to be taken in 2010. The winning candidate must be in position at the time of the trip to remain qualified. In the unlikely event that a winning candidate is not in position at the time of the trip, the trip may be awarded to the runner up, at the discretion of the Vice President of Product Service.

5. Selecting Your Quarterly Awards

Participants will be able to log-in into the "Perform To Win!" website by clicking on the link on the RACiNET home page to view an assortment of fun and engaging prizes offered for that specific quarter. The prizes will be tiered so that the Top qualifiers is allowed to choose an item that is exclusively found in the platinum awards level, while all other qualified participants will be allowed to select from the gold awards level.

At the end of each quarter, winners who have qualified to win a Quarterly Incentive Award will log on to the awards portion of the website to select their prize.

Prize selections must be placed within the given timeframe. Quarterly award winners will be able to view and make their selection until the Selection Period has closed. Award winners who fail to select an award will be shipped a default award. Order status including shipment tracking will be available online.

6. Taxes on Awards and Trip

Awards redeemed and the trip are taxable income and subject to federal, applicable state and local income tax as well as FICA and Medicare on the dollar equivalent of the award or trip.

RAC National Product Service and Rent-A-Center must report the income on the value of the award or trip and withhold any applicable taxes.