



CORPORATE GOVERNANCE GUIDELINES

(Effective November 1, 2018)

The Board of Directors (the “Board”) of PRA Group, Inc. (the “Company”) has adopted the following Corporate Governance Guidelines (the “Guidelines”) as part of its framework for the Company’s corporate governance. The Board will review these Guidelines at least annually and will amend them as it deems necessary and appropriate.

1. Board Role and Responsibilities

The Board is elected by stockholders to oversee the well-being and long-term success of the Company. The Board is the ultimate decision maker for the Company, except for those matters reserved to or shared with the Company’s stockholders.

The primary responsibility of the Board is to exercise its business judgment to act in the best interests of the Company and its stockholders. The Board has responsibility for establishing broad corporate policies, setting strategic direction, and overseeing management, which is responsible for the day-to-day operations of the Company. The Board must fulfill its responsibilities consistent with its fiduciary duties to the Company and its stockholders and in compliance with all applicable laws and regulations.

The Company’s business is conducted by its officers and employees, under the direction of the Chief Executive Officer (the “CEO”). The Board oversees, advises and counsels the CEO and other members of senior management.

2. Code of Business Conduct and Ethics

The Board has adopted a Code of Conduct (the “Code”) for Directors, officers and employees of the Company, which is available on the Company’s website. The Code governs the work behavior and business relationships of the Company’s directors, officers, employees and independent third parties acting on behalf of the Company and sets forth the Company’s policies regarding ethics and standards of business conduct, including conflicts of interest and insider trading.

3. Committees of the Board

The Board has four standing Committees: Audit, Compensation, Compliance and Nominating and Corporate Governance. The Board may establish additional Committees as necessary or appropriate.

The Nominating and Corporate Governance Committee annually reviews the composition of each standing Committee and presents recommendations for Committee membership to the Board as needed. There is no strict Committee rotation policy and changes in Committee

assignments are made based on Committee needs, Director interests, experience and availability, and applicable regulatory and legal considerations. Only Directors who are independent, as defined in Section 7 below, may serve on the Board's standing Committees.

Each of the standing Committees has its own charter, which sets forth the responsibilities of the Committee, the qualifications and procedures of the Committee and how the Committee will report to the Board. Each Committee will review its charter and conduct a self-evaluation annually. The Chair of each Committee will determine the frequency of Committee meetings, consistent with the Committee's charter and the Company's needs.

4. Board Meetings

Attendance: Directors are expected to attend each Annual Meeting of Stockholders and all meetings of the Board and of the Committees on which they serve. Directors should devote the time and effort necessary to fulfill their responsibilities.

Board Preparation and Materials: Information important to Directors' understanding of issues to come before the Board or a Committee will be provided sufficiently in advance of meetings to allow Directors to prepare for such meetings.

Agendas: The Board and its Committees shall meet as frequently as needed to discharge their responsibilities. The Chair of the Board will set the agenda for Board meetings, in consultation with the Lead Independent Director, and the agenda for Committee meetings shall be the responsibility of their respective chairs. However, any Director may request items for inclusion on Board and/or Committee meeting agendas and may also raise a subject that is not on the agenda at any meeting. Certain items pertinent to the oversight and monitoring function of the Board will be brought to the Board regularly. Moreover, the Board will review the Company's strategic plans and most significant financial, accounting and risk management issues facing the Company during at least one Board meeting each year.

Executive Sessions: Independent Directors will meet in regular executive sessions, which will be chaired by the Lead Independent Director, or in the Lead Independent Director's absence, by another independent Director. Executive sessions may take place before, during or after Board meetings and are generally scheduled before and after regularly scheduled Board meetings.

5. Board Leadership

The Board believes that whether to have the same person occupy the offices of the Chair of the Board and the CEO should be decided by the Board, from time to time, in its business judgment after considering relevant factors, including the specific needs of the Company and the best interests of the Company and its stockholders.

At least one executive session of the independent Directors each year will include a review of the Board's leadership structure and consideration of whether the position of Chair of the Board should be held by the CEO or be separated. In addition, with the selection of a new CEO, the Board shall consider the leadership structure the Company should have. A description of the

Board's reasoning for choosing its leadership structure shall be included in the Company's proxy statement related to its Annual Meeting of Stockholders.

The Board annually elects one of its members to serve as its Chair, who shall preside over all meetings of the Board and stockholders, and shall perform such other duties, and exercise such powers, as prescribed in the By-Laws or by the Board from time to time. If the individual selected to serve as Chair of the Board is also the CEO or otherwise not independent, as provided in Section 9 of these Guidelines, the independent Directors shall elect a Lead Independent Director for a one-year term. Although elected annually, the Lead Independent Director is generally expected to serve for more than one year.

The Lead Independent Director shall:

- Preside at all meetings of the Board and the Company's stockholders at which the Chair is not present;
- Have authority to call meetings of independent Directors;
- Preside at all meetings of the independent Directors;
- Serve as liaison between the independent Directors and the Chair;
- Consult with the Chair and CEO concerning the agenda for Board meetings and approve the agenda for Board meetings;
- Approve meeting schedules;
- Lead the annual evaluation of the Chair and CEO;
- Be available to advise the Committee chairs in fulfilling their designated roles and responsibilities with the Board;
- Be available for consultation and direct communication with stockholders where appropriate, upon reasonable request; and
- Perform such other functions as the Board or other Directors may request.

6. Director Qualifications

Directors may be nominated by the Board or by stockholders in accordance with the By-Laws. The Nominating and Corporate Governance Committee will review all nominees for the Board, including proposed nominees of stockholders, in accordance with its charter. The assessment will include a review of the nominee's judgment, experience, independence, understanding of the Company's or other related businesses, and such other factors the Committee concludes are pertinent considering the current needs of the Board. The Board believes that its membership should reflect a diversity of experience, gender, race, ethnicity and age. The

Committee will select qualified nominees and review its recommendations with the Board, which will decide whether to invite the nominee to join the Board. The Chair or Lead Independent Director should extend the Board's invitation to join the Board.

7. Determination of Independence

The majority of the Board shall be independent, as required by the NASDAQ Stock Market. In making independence determinations, the Board will observe all applicable requirements, including federal securities laws, the corporate governance listing standards established by NASDAQ and these Guidelines. The Board will consider all relevant facts and circumstances in making an independence determination.

The Board has established the following categorical standards to assist it in making such independence determinations. The following persons shall not be considered independent:

- A Director who is, or during the past three years was, employed by the Company or by any parent or subsidiary of the Company;
- A Director who accepts or who has an immediate family member who accepts any payments from the Company or any parent or subsidiary of the Company in excess of \$120,000 during the current fiscal year or any of the past three fiscal years, other than compensation for Board service, payments arising solely from investments in the Company's securities, compensation paid to an immediate family member who is an employee of the Company or a parent or subsidiary of the Company (but not if such person is an executive officer of the Company or any parent or subsidiary thereof), benefits under a tax-qualified retirement plan, or non-discretionary compensation;
- A Director who has an immediate family member of an individual who is, or during the past three years was, employed by the Company or by any parent or subsidiary thereof as an executive officer;
- A Director who is or who has an immediate family member who is a partner in, or a controlling stockholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments (other than those arising solely from investments in the Company's securities) that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, in the current fiscal year or any of the past three fiscal years;
- A Director of the Company who is employed or who has an immediate family member who is an executive officer of another entity where any of the executive officers of the Company serve on the compensation committee of such other entity, or if such relationship existed during the past three years; or
- A Director who is or was or who has an immediate family member who is or was a partner or employee of the Company's outside auditor, and worked on the

Company's audit, during the past three years.

All relevant relationships of Directors will be evaluated annually to determine whether Directors meet the categorical standards described above. The Board may determine that a Director who has a relationship that exceeds the limits described in the categorical standards (to the extent that any such relationship would not constitute a bar to independence under the NASDAQ listing standards) is nonetheless independent. The Company will explain in its next proxy statement related to its annual meeting of stockholders the basis for any Board determination that a relationship is immaterial, even though it meets the categorical standards set forth above.

In addition to meeting the independence standards for Directors set forth above, members of the Board's standing Committees must satisfy any additional independence requirements applicable to such members of such Committees.

8. Director Term and Tenure

In accordance with the Company's By-Laws and Certificate of Incorporation, the Board is divided into three classes of Directors and Directors are elected for a term of three years. The Board does not believe it should establish limits on the number of terms a Director may serve. Term limits may cause the loss of experience or expertise important to the optimal operation of the Board. Directors who have served on the Board for an extended period can provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history and objectives. However, to ensure that the Board continues to evolve and remains composed of high functioning members able to keep their commitments to Board service, the Nominating and Corporate Governance Committee will evaluate the qualifications and performance of each incumbent Director before recommending the nomination of that Director for an additional term.

9. Retirement Age

The Board does not endorse mandatory retirement ages for Directors, but instead reviews and recommends nominees based on various criteria, including: (a) evidence of competence to act as a Board and committee member; (b) ability to understand, effectively prepare for and participate in Board and committee matters; and (c) availability to attend and participate in Board and committee meetings.

10. Change in Primary Employment

Any non-management Director who retires or changes his or her primary employment must provide notice to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall evaluate the continued appropriateness of Board membership under the new circumstance, determine whether continued service by such non-management director is in the best interests of the Company and its stockholders and report to the full Board the results of its evaluation. Any Director who provides notice pursuant to this provision shall not participate in the Committee's evaluation.

11. Limitations on Other Board Service

Each Director is expected to ensure that other commitments do not interfere with the discharge of his or her duties as a Director of the Company. Consequently, Directors should not serve on more than two other public company boards. Directors are expected to inform the Chairman and the Chair of the Nominating and Corporate Governance Committee upon becoming a director of any other public company or becoming a member of the audit committee of any other public company. The Committee and the Board will consider the nature and extent of an individual's other commitments when determining whether it is appropriate to nominate such individual for election or re-election as a Director. Service on boards and committees of other organizations should be consistent with the Company's conflict of interest policies. If a member of the Audit Committee serves on more than three audit committees of public companies, the Board shall determine whether such public service would impair the ability of such member to effectively serve on the Audit Committee.

12. Director Access to Management and Information

Directors have full and free access to management and the books and records of the Company. Any meetings or contact that a Director wishes to initiate may be arranged through the CEO or Corporate Secretary. Directors should use their judgment to ensure that any such contact is not disruptive to the business operations of the Company.

The Board welcomes the regular attendance at Board meetings of the Company's senior managers who are not Board members. The Chair or CEO shall extend such invitations.

13. Director Access to Outside Advisors

In performing its duties, the Board and its Committees may rely upon the Company's senior executives and outside advisors and auditors. The Board and its Committees have the authority to hire, at the Company's expense, independent legal, financial, or other advisors as the Board or its Committees may deem necessary.

14. Director Orientation and Continuing Education

All new Directors must participate in the Company's Director Orientation Program, which should be conducted as soon as reasonably practicable after their appointment to the Board. This orientation will include presentations by senior management to familiarize new Directors with the Company's business and strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code, its principal officers, and its internal and independent auditors.

Directors routinely receive presentations, materials and education on matters that will assist them in discharging their duties, including corporate governance, compliance, risk management and the Company's strategic plans. Directors are also encouraged to participate in continuing Director education.

15. Annual CEO Performance Evaluation

To ensure that the CEO is providing the best leadership for the Company, the Compensation Committee will (a) establish annual and long-term financial and strategic goals and objectives for the CEO, (b) evaluate, together with the Board in an executive session of non-management Directors led by the Lead Independent Director, the performance of the CEO in light of these goals and objectives, and (c) determine, considering the foregoing evaluations, the compensation of the CEO.

16. Management Succession

The Board shall maintain and approve a succession plan for the CEO, which shall include a plan for an emergency and the death, disability, termination, resignation or retirement of the CEO. The Board shall oversee succession planning for the Company's executive officers, as defined by Rule 16a-1(f) of the Securities Act of 1933, as amended ("executive officers"). At least annually, the CEO will meet with the Board to discuss succession planning for all executive officers and, in the CEO's discretion, any of the CEO's direct reports (collectively, "senior management"). The CEO shall also meet at least annually with the Compensation Committee to discuss the performance of senior management and shall communicate performance-related issues to the Board to the extent such issues impact the management succession plan.

17. Annual Board Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether the Board and its Committees are functioning effectively. During the year, the Nominating and Corporate Governance Committee shall receive input on the Board's performance from Directors and will discuss the input with the full Board and oversee the full Board's review of its performance.

18. Director Compensation and Stock Ownership Guidelines

The form and amount of Director compensation shall be determined by the Compensation Committee and then recommended to the full Board for action in accordance with the Committee charter. A Director who is also an employee of the Company shall not receive additional compensation for service as a Director.

The Board believes that Directors' economic interests should be aligned with those of the Company's stockholders. As a result, a significant portion of each Director's compensation shall be comprised of Company stock and each Director must own common stock of the Company valued at no less than five times the cash portion of the Director's annual retainer within five years of joining the Board.

19. Director Communications with Third Parties

The Board believes that senior management speaks for the Company and the Chairman speaks for the Board. Inquiries about the Company by stockholders, analysts, the press, media and other constituencies are to be referred to management. Non-management directors may from time

to time meet with or communicate with various constituencies with which the Company is involved. It is expected that Board members would do this with the prior knowledge of management and, absent unusual circumstances or as otherwise contemplated by these Corporate Governance Guidelines, only at the request of management. In addition, as noted above, the Lead Independent Director's responsibilities include being available for consultation and communication with major stockholders as may be appropriate.

20. Written Resignation

A Director or executive officer, as defined by Rule 16a-1(f) of the Securities Act of 1933, as amended, who decides to resign from the Company shall notify the Company by emailing or submitting a letter of resignation to the Corporate Secretary at:

Corporate Secretary
PRA Group, Inc.
120 Corporate Boulevard
Norfolk, VA 23502
corporatesecretary@pragroup.com

The written resignation shall specify the effective date of the Director's or executive officer's resignation. If no effective date is specified, the resignation shall become effective upon receipt by the Corporate Secretary.