



**CHARTER OF THE
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF PRA GROUP, INC.**

Effective as of August 1, 2019

A. PURPOSE

The primary objectives of the Audit Committee (the “Audit Committee”) of the Board of Directors (the “Board”) of PRA Group, Inc. (the “Company”) are to assist the Board in fulfilling its oversight responsibilities by:

- monitoring and reviewing the integrity of the Company’s financial reports;
- monitoring and providing oversight of the Company’s systems of internal controls regarding accounting and financial reporting;
- engaging and monitoring the independence and performance of the Company’s independent auditors;
- monitoring the independence and performance of the Company’s internal auditors; and
- providing an avenue of communication between the independent auditors, management, internal auditors and Board.

The Audit Committee has the authority to conduct or authorize investigations into any matter within the scope of its responsibilities and it shall have direct access to the independent auditors, as well as anyone in the Company. The Audit Committee, in its sole discretion, has the ability to retain, at the Company’s expense, special legal, accounting or other consultants or advisors it deems necessary in the performance of its duties or to assist in the conduct of any investigation.

B. ORGANIZATION

1. **Composition.** The Audit Committee shall consist of at least three members and its size shall be determined by the Board. Audit Committee members shall be appointed by the Board and those members shall serve until their successors have been duly appointed and qualified, subject to their earlier death, resignation or removal. Audit Committee members may be removed by the Board, with or without cause, in its discretion and vacancies shall be filled by the Board on recommendation of the Nominating and Corporate Governance Committee. The Chair of the Committee shall be designated by a vote of the full Board or, if the Board so chooses, the Committee members shall appoint a Chair by vote of a majority of the Committee members.

2. **Other Audit Committee Service.** No Committee member shall serve simultaneously on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the Committee member's ability to serve on the Committee effectively.
3. **Independence and Qualifications.** Audit Committee members shall meet the requirements of the Securities and Exchange Commission, the Nasdaq Stock Market ("NASDAQ") and the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). The Audit Committee members shall be independent within the meaning of Section 5605(a)(2) of the NASDAQ listing rules and Rule 10A-3 under the Securities Exchange Act of 1934. All members of the Audit Committee shall, at the time of their appointment, have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements. At least one Audit Committee member shall have accounting or related financial management expertise and be considered an "audit committee financial expert" as defined by Item 407 of Regulation S-K and related regulations promulgated by the Securities and Exchange Commission and NASDAQ.
4. **Subcommittees.** The Audit Committee is empowered by the Board to form and delegate authority to subcommittees when appropriate.

C. MEETINGS

The Audit Committee Chair or the Chair's designee will preside at each meeting, set the frequency and length of each meeting, and prepare and/or approve an agenda in advance of each meeting. The Audit Committee Chair shall ensure that the agenda for each meeting is circulated to each Audit Committee member in advance of the meeting. The Audit Committee will have regular meetings at least four times per year, or more frequently as circumstances dictate. The Audit Committee shall meet privately and separately, on a regular basis, with management and with the independent auditors to discuss any matters that the Audit Committee or each of these groups believes should be discussed. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Committee will maintain written minutes of its meetings. At each regularly scheduled meeting of the Board the Chair of the Committee shall provide the Board with a report of the Committee's activities and proceedings.

D. RESPONSIBILITIES AND DUTIES

The primary responsibilities and duties of the Audit Committee are to:

Review Procedures

1. Review and reassess the adequacy of this Charter at least annually, submit any recommended Charter revisions to the Board for approval and have the Charter published in accordance with Securities and Exchange Commission regulations.
2. Review and discuss with management and with the independent auditors the

Company's annual audited financial statements and related footnote disclosures and independent auditors' report thereon prior to filing or distribution of the Company's annual report on Form 10-K (the "Annual Report"). The review should include separate discussions with management and with the independent auditors of significant issues and disagreements (if any) regarding accounting principles, practices and judgments, any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information, and the effect of using different accounting principles, practices and judgments. Review and assess management's critical accounting estimates and policies. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Recommend to the Board whether to include the audited financial statements in the Annual Report.

3. Review and discuss with management (including the internal audit department) management's assessment of the effectiveness of the Company's internal control over financial reporting and with the independent auditors their auditors' report regarding the effectiveness of internal control over financial reporting prior to the filing of the Annual Report. Discuss with management the integrity of the Company's financial reporting processes and adequacy of controls. Discuss with the external auditors any significant deficiencies and material weaknesses regarding internal control over financial reporting that have come to their attention.
4. Review and discuss with management and with the independent auditors the Company's quarterly reviewed financial statements prior to filing or distribution of the Company's quarterly report.
5. Review earnings reports prior to release.
6. Review and discuss written reports and significant findings, if any, prepared by the Company's internal auditor or independent auditors. Review management's responses, if any, to such reports and findings, including the status of previous recommendations, any significant changes in the audit plan or scope and any material difficulties or disputes with management encountered during audits.

Independent Auditors

7. The independent auditors shall report directly to the Audit Committee, and the Audit Committee has the sole authority and responsibility to select and hire, oversee, determine funding for, evaluate and, where appropriate, replace the independent auditors (and independent counsel and other advisors to represent the Audit Committee).
8. Review the performance of the independent auditors, the experience and qualifications of the senior members of the independent audit team and the quality control procedures of the independent auditors.
9. Be directly responsible for the compensation of the independent auditors (and independent counsel and other advisors to represent the Audit Committee).

10. Review the provision of any non-audit services to determine whether they are permissible under applicable laws, rules, and regulations.
11. The Audit Committee Chair or the Audit Committee shall pre-approve the provision of all audit, audit-related and permissible non-audit services by the independent auditors and consider whether the provision of these services is compatible with maintaining the independent auditors' independence. In the event that the Audit Committee Chair provides such pre-approval, the Chair will report such pre-approval to the Audit Committee at its next meeting.
12. Receive annually from the independent auditors a formal written statement delineating all relationships between the independent auditors and the Company, discuss with the independent auditors any disclosed relationships or services that may impact the objectivity and independence of the auditors, take, or recommend that the Board take, appropriate action to ensure the independence of the auditors, and obtain annually a formal written statement from the independent auditors with respect to their independence consistent with all applicable standards.
13. Review the independent auditors' audit plan, including scope and reliance upon management and internal auditors.
14. Discuss any matters required to be communicated to audit committees by the independent auditors in accordance the applicable standards of the Public Company Accounting Oversight Board Auditing Standards.
15. Discuss and consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting, including such issues as the clarity of the Company's financial disclosures and degree of aggressiveness or conservatism of the Company's accounting principles and underlying estimates and other significant decisions made by the management in preparing the financial disclosure.
16. Discuss and review with the internal audit department and the independent auditors the effectiveness and coordination of the internal audit effort to assure completeness of coverage and to avoid duplication of resources.
17. Obtain and review a report from the independent auditors at least annually regarding (a) the independent auditors' internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm and (c) any steps taken to deal with any such issues.
18. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.

19. Discuss with the independent auditors whether any illegal acts have been detected or have otherwise come to the attention of the auditors during their audit, unless the illegal act is clearly inconsequential, pursuant to Section 10A(b) of the Exchange Act.
20. Review the performance, objectivity and independence of the independent auditors.

Internal Auditors

21. Approve the internal audit charter and internal audit plan.
22. Oversee directly the performance of the Company's senior internal auditing executive, who may also administratively report to an executive of management.
23. Review the appointment, qualification, performance and replacement of the Company's senior internal auditing executive, and the activities, organizational structure and qualifications of the persons responsible for the internal audit function.
24. Review and approve the internal audit budget and staffing plan.

Governance Responsibilities

25. Prepare annually an Audit Committee report as required by the Securities and Exchange Commission, which will be included in the Company's annual proxy statement.
26. Establish and maintain appropriate procedures for (a) the receipt, retention and treatment of complaints and allegations of fraud or illegal acts received by the Company and/or the Audit Committee regarding accounting, internal accounting controls, or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other Audit Committee Responsibilities

27. Perform any other activities consistent with this Charter, the Company's By-laws and governing law, as the Audit Committee or the Board deems necessary or appropriate.
28. Review periodically the Company's Code of Conduct and submit to the Board for its approval any proposed revisions to the Code of Conduct.
29. Review the Company's enterprise risk management efforts.

E. PERFORMANCE EVALUATION

The Audit Committee shall evaluate its performance annually in such manner as it deems appropriate and report the results of the evaluation to the Board.

F. AMENDMENTS

This Charter may be amended from time to time by the Board, and any amendment must be disclosed as required by, and in accordance with, applicable laws, rules and regulations.