



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

*(Effective as of April 1, 2021)*

**A. PURPOSE**

The primary objective of the Risk Committee (the “Committee”) is to assist the Board of Directors (the “Board”) in fulfilling its responsibility for oversight of the Company’s enterprise risk management (“ERM”) program, including its governance structure, risk management framework and policies and procedures.

The Committee’s oversight responsibilities shall not extend to designing, implementing, maintaining or managing the Company’s ERM program, which are the responsibilities of the Company’s management.

**B. ORGANIZATION**

1. **Composition.** The size of the Committee shall be determined by the Board, but will consist only of independent Directors who understand and have the ability to oversee the risks faced by the Company and the management of those risks. Committee members shall be appointed by the Board and shall serve until their successors have been duly appointed and qualified, subject to their earlier death, resignation or removal. Committee members may be removed by the Board, with or without cause, in the Board’s discretion and vacancies on the Committee shall be filled by action of the Board. The chairperson of the Committee (“Committee Chair”) 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 full Committee.
2. **Subcommittees:** The Committee is empowered by the Board to form and delegate authority to subcommittees when appropriate.

**C. STRUCTURE AND MEETINGS**

The Committee Chair will preside at each meeting, set the frequency and length of each meeting, and review and/or approve an agenda in advance of each meeting. The Committee Chair shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. The Committee will meet as frequently as it deems necessary. The Committee may invite to any of its meetings other directors, members of Company management, and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee will maintain written minutes of its meetings. At each regularly scheduled meeting of the Board the Committee Chair shall provide the Board with a report of the Committee’s activities and proceedings.

## **D. COORDINATION WITH OTHER BOARD COMMITTEES**

The Committee shall oversee the Company's management of significant enterprise risks. In doing so, the Committee recognizes the risk management responsibilities delegated by the Board to its other committees and understands that other Board committees may emphasize specific risk monitoring through their respective activities. In order to facilitate appropriate oversight by the Board of ERM and related issues while avoiding duplication, the Risk Committee Chair shall liaise with:

- the Compensation Committee Chair to confirm that the Compensation Committee has reviewed the Company's compensation policies and practices for all employees as they relate to risk management practices and risk-taking incentives and determined that there are no risks arising from these policies and practices that are reasonably likely to have a material adverse effect on the Company; and
- the Audit Committee Chair concerning financial risks faced by the Company and risks related to the Company's financial reporting and internal controls.

## **E. RESPONSIBILITIES AND DUTIES**

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

1. Review the Company's ERM framework, including the Company's significant risk exposures and the steps taken by management to monitor, mitigate and control such risk exposures.
2. Oversee the governance structures used by management to execute its ERM program to determine whether it supports the comprehensive oversight of significant risks facing the Company and the Company's risk management activities.
3. Review and approve the Charter for the Risk Assessment and Action Committee or any successor management committee that performs similar functions.
4. Receive reports and presentations from management on significant risks facing the Company and the results of any risk management reviews and assessments, including the following risks: operations, compliance, underwriting, strategy, legal, reputation, information security, technology and data management, and vendor management.
5. Review annually and recommend to the Board for its approval the Company's risk appetite statement and any amendments to such statement.
6. Review management's assessment of the effectiveness of Company's ERM program, including corrective actions taken by management to address risks issues and the implementation of risk management enhancements.

7. Discuss with management emerging risks and other newly identified risks issues.
8. Review the budget and staffing for the ERM program including recommendations regarding the adequacy of the Company's resources to performing its risk management responsibilities.
9. Review and approve Company's business continuity management program.
10. Review material reports or inquiries from government or regulatory agencies related to any significant enterprise risks.
11. Oversee the investigation of, and may also request the investigation of, any significant instances of noncompliance with laws or the Company's compliance programs, policies or procedures, or potential compliance violations that are reported to the Committee; provided, however, that matters related to financial noncompliance or potential financial compliance violations shall be directed to the Audit Committee for investigation.
12. Perform such other duties as may be delegated to it by the Board from time to time.

#### **F. PERFORMANCE EVALUATION**

The Committee shall conduct an annual performance evaluation in such manner as it deems appropriate and report the results of the evaluation to the Board.

#### **G. COMMITTEE RESOURCES**

The Committee shall have the authority to seek assistance from internal or external advisors. The Committee shall have the sole authority to retain and/or terminate any external advisors, including sole authority to approve such advisor's fees.

#### **H. 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.