

PRA GROUP INC  
Form DEF 14A  
April 19, 2017  
**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities**

**Exchange Act of 1934 (Amendment No. )**

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 Under Rule 14a-12

*(Name of Registrant as Specified In Its Charter)*

*(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)*

**Payment of Filing Fee (Check the appropriate box):**

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

**Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11 (a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.**

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:



### **About PRA Group, Inc.**

Headquartered in Norfolk, Virginia and incorporated in Delaware, we are a global financial and business services company with operations in the Americas and Europe. Our primary business is the purchase, collection and management of portfolios of nonperforming loans that have been charged-off by the credit grantor. The accounts we acquire are primarily the unpaid obligations of individuals owed to credit grantors, which include banks and other types of consumer, retail, and auto finance companies. We acquire portfolios of nonperforming loans in two broad categories: Core and Insolvency. Our Core operation specializes in purchasing and collecting receivables. Our Insolvency operation consists primarily of purchasing and collecting accounts that are involved in a Chapter 13 bankruptcy proceeding from credit grantors based in the United States, but also includes the purchasing and collecting

of insolvent accounts in Europe and Canada. We also provide the following fee-based services: vehicle location, skip tracing and collateral recovery for auto lenders, government entities and law enforcement; class action claims recovery services and purchases; servicing of consumer bankruptcy accounts in the U.S.; and to a lesser extent, contingent collections of nonperforming loans in Europe and South America. For more information about our businesses, please refer to our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the U.S. Securities and Exchange Commission on February 28, 2017. The information contained on, or that can be accessed through our website, including any document referenced in this Proxy Statement, is not, and shall not be deemed to be, a part of this Proxy Statement.

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

### Dear Fellow Stockholders:

We are pleased to invite you to the 2017 Annual Meeting of Stockholders (the “Annual Meeting”) of PRA Group, Inc. (the “Company”) to be held Thursday, June 1, 2017 at 130 Corporate Boulevard, Norfolk, Virginia 23502 at 12:00 noon Eastern Daylight Time. At the Annual Meeting, stockholders will be asked to vote on the following items:

- Elect the two nominees named in the accompanying Proxy Statement to the Board of Directors for three-year terms;
- Ratify the appointment of KPMG, LLP as our independent registered public accounting firm for 2017;
- Approve, on a non-binding advisory basis, the compensation of our named executive officers (“Say-on-Pay”);
- Approve, on a non-binding advisory basis, the frequency of future Say-on-Pay votes; and

•Any other business that may properly come before the Annual Meeting and any adjournments or postponements thereof.

Stockholders of record as of the close of business on April 6, 2017 are entitled to receive notice of, and to vote at, the Annual Meeting. Included in these materials are the Proxy Statement and the Company’s Annual Report on Form 10-K for the year ended December 31, 2016, which are first being made available to stockholders on or about April 19, 2017. If you received printed copies of the proxy materials, you also received a proxy card or voting instruction form.

Every vote is important and valued by the Company. Therefore, we encourage you to vote your shares through the internet, by phone or, if you received a printed copy of the proxy card, by mail, using the instructions below even if you plan to attend the Annual Meeting.

### By Order of the Board of Directors,

Steven D. Fredrickson  
Chairman and Chief Executive Officer  
April 19, 2017

Judith S. Scott  
Corporate Secretary

### YOU CAN VOTE IN ONE OF FOUR WAYS:

Visit the website listed on your notice of meeting or proxy card to vote VIA THE INTERNET

If you received printed proxy materials, sign, date and return your proxy card in the envelope provided to vote BY MAIL

Call the telephone number on your proxy card to vote BY TELEPHONE

Attend the Annual Meeting to vote IN PERSON

## **TABLE OF CONTENTS**

<b>1</b>	
<b>Proxy Summary</b>	
1 Annual Meeting	
1 Voting Matters and Board Vote Recommendation	
1 Corporate Governance Highlights	
2 Director Dashboard	
3 Company Performance Highlights	
4 Compensation Highlights	
5 Investor Outreach and Engagement	
<b>6</b>	
<b>PROXY STATEMENT</b>	
6 Purpose	
6 Record Date	
6 Quorum	
6 Vote Required	
<b>7</b>	
<b>Corporate Governance</b>	
7 Board Leadership	
7 Code of Business Conduct and Ethics	
8 Board's Role in Risk Oversight	
8 Policy for Approval of Related Party Transactions	
<b>9</b>	
<b>OUR BOARD AND ITS COMMITTEES</b>	
9 Building Our Board	
9 Director Qualifications	
10 Committees of the Board	
11 Compensation Committee Interlocks and Insider Participation	
11 Director Independence	
11 Director Attendance	
11 Communications with the Board	
<b>12</b>	
<b>PROPOSAL 1: ELECTION OF DIRECTORS</b>	
13 Director Nominees - Three-Year Terms Expiring at the 2020 Annual Meeting of Stockholders	
14 Directors with Three-Year Terms Expiring at the 2018 Annual Meeting of Stockholders	
16 Directors with Three-Year Terms Expiring at the 2019 Annual Meeting of Stockholders	
<b>18</b>	
<b>NON-EMPLOYEE DIRECTOR COMPENSATION</b>	
18 Director Stock Ownership Guidelines	
<b>19</b>	
<b>PROPOSAL 2: RATIFICATION OF APPOINTMENT OF KPMG LLP</b>	
19 Fees Paid to KPMG	
19 Audit Committee Pre-Approval Policies and Procedures	

**20**

**Report of the Audit Committee**

**21**

**EXECUTIVE OFFICERS**

**22**

**PROPOSAL 3: APPROVAL OF NEO COMPENSATION**

**23**

**PROPOSAL 4: FREQUENCY OF SAY-ON-PAY vote**

**24**

**executive COMPENSATION**

- 24 Compensation Discussion and Analysis
- 24 2016 Financial Results
- 27 Philosophy and Objectives of Our Executive Compensation Program
- 29 Key Features of Our Executive Compensation
- 30 2016 Executive Compensation Highlights
- 32 Components of Our Executive Compensation Program
- 33 Decisions For 2016
- 37 Outstanding Performance Share Awards
- 38 Other Compensation
- 39 Other Related Policies
- 40 Decisions for 2017
- 41 Compensation Committee Report
- 42 Summary Compensation Table
- 43 Grants of Plan Based Awards
- 44 Outstanding Equity Awards at Fiscal Year-End
- 45 Option Exercises and Stock Vested
- 46 Post-Employment Compensation Arrangements

**49**

**SECURITY OWNERSHIP**

- 49 Security Ownership of Certain Beneficial Owners and Management
- 50 Section 16(a) Beneficial Ownership Reporting Compliance

**51**

**VOTING INSTRUCTIONS AND OTHER INFORMATION**

- 51 Stockholders
- 51 Internet Availability of Proxy Materials
- 51 How to Vote
- 52 Revoking Your Proxy
- 52 Inspector of Elections
- 52 Cost of Proxy Solicitation
- 52 Attending the Annual Meeting
- 52 Broker Non-Votes
- 53 Stockholder Proposals
- 53 Annual Report on Form 10-K

53 Other Matters to be Presented

PRA Group, Inc. 2017 Proxy Statement



**PROXY SUMMARY 1**

*This summary highlights certain information contained elsewhere in the Proxy Statement, but does not contain all information that you should consider prior to casting your vote. Therefore, you should read the entire Proxy Statement carefully before voting.*

**Annual Meeting**

**Date and Time:** Thursday, June 1, 2017 at 12:00 noon Eastern Daylight Time

**Location:** PRA Group, Inc.  
130 Corporate Boulevard,  
Building III, Second Floor  
Norfolk, Virginia 23502

**Record Date:** April 6, 2017

**Voting Matters and Board Vote Recommendations**

<b>Agenda Item</b>	<b>Board Vote Recommendation</b>	<b>Page Reference</b>
Proposal 1: Elect James N. Nussle and Scott M. Tabakin as directors for three-year terms	FOR	12
Proposal 2: Ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2017	FOR	19
Proposal 3: Advisory vote to approve the compensation of our Named Executive Officers (“Say-on-Pay”)	FOR	22
Proposal 4: Advisory vote to approve frequency of future Say-on-Pay votes	FOR 1-YEAR OPTION	23

**Corporate Governance Highlights**

- A substantial majority of our Board of Directors (the “Board”) is independent (eight of 11 directors) and our Audit, Compensation and Nominating and Corporate Governance Committees are comprised solely of independent directors.
- We have a Lead Independent Director who, among other responsibilities, presides over executive sessions of our independent directors that occur at each in-person Board meeting.
- Our stockholders have the right to call special meetings.
- We have stock ownership guidelines that apply to our directors and executive officers in order to align their interests with the interests of our stockholders.
- Our Board and our Audit, Compensation, and Nominating and Corporate Governance Committees conduct annual performance evaluations.
- We have a “clawback” policy that applies to the incentive compensation of our executive officers in the event of a restatement of our financial statements due to misconduct.
- Our directors, executive officers and employees are prohibited from engaging in short sales and hedging transactions and may not pledge our common stock.

**PROXY SUMMARY 2**

**Director Dashboard**

Our Company is led by directors whose qualifications, experience and backgrounds support the effective oversight of the Company’s business and affairs, further the strategic goals of the Company and provide valued guidance to management.

**Cognitive Diversity on the Board**

**High Level of Financial Literacy**

**Risk Oversight**

**Leadership and Board Experience**

**Financial Industry Experience**

**Government and Regulatory Experience**

**Experience with Complex Organizations**

**Entrepreneurial Spirit**

**International/Global Experience**

**Continuing Director Tenure**

**Director Age**