

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

---

**FORM 8-K**

---

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): December 16, 2013**

---

**ENCORE CAPITAL GROUP, INC.**  
(Exact Name of Registrant as Specified in Charter)

---

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**000-26489**  
(Commission  
File Number)

**48-1090909**  
(IRS Employer  
Identification No.)

**3111 Camino Del Rio North, Suite 1300, San Diego, California**  
(Address of Principal Executive Offices)

**92108**  
(Zip Code)

**(877) 445-4581**  
(Registrant's telephone number, including area code)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

**Item 1.01. Entry into a Material Definitive Agreement.**

On November 20, 2012 and December 6, 2012, Encore Capital Group, Inc. (the “Company”) entered into privately negotiated convertible note hedge transactions (together, the “Convertible Note Hedge Transactions”) with each of Deutsche Bank AG, London Branch, RBC Capital Markets, LLC and Société Générale (together, the “Option Counterparties”) in connection with the pricing of the Company’s 3.00% Convertible Senior Notes due 2017. Concurrently with entering into the Convertible Note Hedge Transactions, the Company also entered into separate, privately negotiated warrant transactions (together, the “Warrant Transactions”) with each of the Option Counterparties.

On December 16, 2013, the Company entered into amendment agreements (“Amendments”) with each of the Option Counterparties to increase the strike price of the Warrant Transactions to \$60.00 pursuant to the provisions, and subject to the conditions, set forth therein. The Company has been advised by the Option Counterparties that, in connection with modifying their hedge positions with respect to the Convertible Note Hedge Transactions and Warrant Transactions, as amended, the Option Counterparties or their respective affiliates expect to enter into various derivative transactions with respect to the Company’s common stock and/or purchase shares of the Company’s common stock in privately negotiated transactions and/or open market transactions during a period of time determined pursuant to the provisions set forth in the Amendments. This activity could increase (or reduce the size of any decrease in) the market price of the Company’s common stock during such time.

The ultimate cost to the Company of amending the Warrant Transactions will be determined pursuant to the provisions set forth in the Amendments at the time specified therein.

The foregoing description of the Amendments is qualified in its entirety by the copies of the Amendments attached as exhibits to this report and incorporated herein by reference.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

- 10.1† Amendment to Letter Agreement, dated December 16, 2013, between Deutsche Bank AG, London Branch and Encore Capital Group, Inc., regarding the Warrant Transactions
- 10.2† Amendment to Letter Agreement, dated December 16, 2013, between RBC Capital Markets, LLC and Encore Capital Group, Inc., regarding the Warrant Transactions
- 10.3† Amendment to Letter Agreement, dated December 16, 2013, between Société Générale and Encore Capital Group, Inc., regarding the Warrant Transactions

---

† Confidential treatment has been requested for portions of this exhibit. These portions have been omitted from this report and submitted separately to the Securities and Exchange Commission.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENCORE CAPITAL GROUP, INC.

Date: December 20, 2013

/s/ Paul Grinberg

Paul Grinberg

Executive Vice President, Chief Financial Officer and Treasurer

---

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
10.1†	Amendment to Letter Agreement, dated December 16, 2013, between Deutsche Bank AG, London Branch and Encore Capital Group, Inc., regarding the Warrant Transactions
10.2†	Amendment to Letter Agreement, dated December 16, 2013, between RBC Capital Markets, LLC and Encore Capital Group, Inc., regarding the Warrant Transactions
10.3†	Amendment to Letter Agreement, dated December 16, 2013, between Société Générale and Encore Capital Group, Inc., regarding the Warrant Transactions

---

† Confidential treatment has been requested for portions of this exhibit. These portions have been omitted from this report and submitted separately to the Securities and Exchange Commission.



December 16, 2013

To: Encore Capital Group, Inc.  
 3111 Camino Del Rio North, Suite 1300  
 San Diego, California 92108  
 Attn: Paul Grinberg, Chief Financial Officer  
 Telephone: 858-309-6904  
 Facsimile: 858-309-6977

From: Deutsche Bank AG, London Branch  
 Winchester House  
 1 Great Winchester St, London EC2N 2DB  
 Telephone: 44 20 7545 8000

c/o Deutsche Bank Securities Inc.  
 60 Wall Street  
 New York, NY 10005  
 Telephone: 212-250-2500

**Re: Amendment to Warrant Transactions**

Ladies and Gentlemen:

This letter agreement (this "**Amendment**") amends the letter agreement re: Base Issuer Warrant Transaction, between Deutsche Bank AG, London Branch ("**Dealer**") and Encore Capital Group, Inc. ("**Issuer**"), dated November 20, 2012 (such letter agreement, the "**Base Warrant Confirmation**" and the "Transaction" as defined therein, the "**Base Warrant Transaction**"), and the letter agreement re: Additional Issuer Warrant Transaction, between Dealer and Issuer, dated December 6, 2012 (such letter agreement, the "**Additional Warrant Confirmation**" and together with the Base Warrant Confirmation, the "**Confirmations**," and the "Transaction" as defined in the Additional Warrant Confirmation, the "**Additional Warrant Transaction**" and together with the Base Warrant Transaction, the "**Transactions**"), as set forth below. Any capitalized term used but not defined herein shall have the meaning assigned thereto in the Base Warrant Confirmation or the Additional Warrant Confirmation, as the context shall require.

1. *Amendments.*

a. If the Hedge Completion Percentage is 100%, each Confirmation shall be amended by increasing the "Strike Price" of each Transaction from USD 44.1875 to USD 60.00.

b. If the Hedge Completion Percentage is less than 100%:

i. The Additional Warrant Confirmation shall be amended by:

1. Replacing the "Number of Warrants" for each "Component" other than the last "Component" of the Additional Warrant Transaction with a number of "Warrants" (the "**Additional Daily Warrant Number**") equal to (i) the product of (a) the Hedge Completion Percentage and (b) the Total Number of

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [\*\*\*]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

2. Warrants, rounded down to the nearest whole number (the “**Additional Total Warrant Number**”) *divided by* (ii) 150, rounded down to the nearest whole number;
  3. Replacing the “Number of Warrants” for the last “Component” of the Additional Warrant Transaction with a number of “Warrants” equal to the (i) the Additional Total Warrant Number *less* (ii) the product of 149 and the Additional Daily Warrant Number; and
  4. Increasing the “Strike Price” of the Additional Warrant Transaction from USD 44.1875 to USD 60.00; and
- ii. The Base Warrant Confirmation shall be amended by:
1. Replacing the “Number of Warrants” for each “Component” other than the last “Component” of the Base Warrant Transaction with a number of “Warrants” (the “**Base Daily Warrant Number**”) equal to (i) the Total Number of Warrants *less* the aggregate “Number of Warrants” for all “Components” under the Additional Warrant Transaction, after giving effect to the amendments set forth in Section 1.b.i above (the “**Base Total Warrant Number**”), *divided by* (ii) 150, rounded down to the nearest whole number; and
  2. Replacing the “Number of Warrants” for the last “Component” of the Base Warrant Transaction with a number of “Warrants” equal to (i) the Base Total Warrant Number *less* (ii) the product of 149 and the Base Daily Warrant Number.

2. *Hedging Completion Notice.* On the first Scheduled Trading Day following the Hedge Completion Date, Dealer will deliver to Issuer a hedging completion notice substantially in the form set forth in Annex B hereto, and no later than the first Scheduled Trading Day following delivery to Issuer of such notice, absent manifest error, Issuer will return to Dealer a counter-signed copy thereof.

3. *Restrike Cost.* In consideration for the amendments contained herein:

a. On December 19, 2013, Issuer shall pay to Dealer an amount in USD equal to the product of (i) 13,895,000 and (ii) 40% (such product, the “**Prepayment Amount**”); and

b. On the later of the third Currency Business Day following the Hedge Completion Date and January 2, 2014, (A) if the Aggregate Restrike Cost exceeds the Prepayment Amount, Issuer shall pay to Dealer an amount in USD equal to such excess or (B) if the Prepayment Amount exceeds the Aggregate Restrike Cost, Dealer shall pay to Issuer an amount in USD equal to such excess.

4. *Definitions.* As used herein:

“**Aggregate Restrike Cost**” means the product of (i) the Hedge Completion Percentage *multiplied by* the Total Number of Warrants and (ii) the Restrike Cost Per Share.

“**Delta**” means the “Delta” set forth in the grid in Annex A hereto corresponding to the Hedge Execution Price; *provided that* (i) if the Hedge Execution Price is between “Hedge Execution Prices” set forth in such grid, “**Delta**” shall be determined by linear interpolation between the “Deltas” set forth in such grid corresponding to such “Hedge Execution Prices” and (ii) if the Hedge Execution Price is less than the lowest “Hedge Execution Price” set forth in such grid, “**Delta**” will be determined by the Calculation Agent in a manner consistent with the methodology used in creating such grid.

“**Hedge Completion Percentage**” means the ratio of the Hedge Purchase Number to the Target Hedge Purchase Number.

“**Hedge Execution Price**” means the per-Share volume-weighted average price at which Dealer (or its affiliate or agent) purchases Shares during the Hedging Period to adjust its Hedge Positions in connection with this Amendment; *provided* that the price per Share for any such purchase shall not exceed the Limit Price (as defined in Annex A hereto).

“**Hedge Purchase Number**” means the number of Shares purchased by Dealer (or its affiliate or agent) during the Hedging Period to adjust its Hedge Positions in connection with this Amendment.

“**Hedging Period**” means the period of consecutive Scheduled Trading Days beginning on, and including, December 17, 2013, and ending on, and including, the earlier of (i) the first date on which Dealer (or its affiliate or agent) has completed purchasing Shares to adjust its Hedge Positions in connection with this Amendment and (ii) February 20, 2014 (such earlier date, the “**Hedge Completion Date**”).

“**Restrike Cost Per Share**” means the “Restrike Cost Per Share” set forth in the grid in Annex A hereto corresponding to the Hedge Execution Price; *provided* that (i) if the Hedge Execution Price is between “Hedge Execution Prices” set forth in such grid, the “**Restrike Cost Per Share**” shall be determined by linear interpolation between the “Restrike Costs Per Share” set forth in such grid corresponding to such “Hedge Execution Prices” and (ii) if the Hedge Execution Price is less than the lowest “Hedge Execution Price” set forth in such grid, the “**Restrike Cost Per Share**” will be determined by the Calculation Agent in a manner consistent with the methodology used in creating such grid.

“**Target Hedge Purchase Number**” means a number of Shares equal to the product of (i) Delta and (ii) the Total Number of Warrants, rounded down to the nearest Share.

“**Total Number of Warrants**” means the sum of (i) the aggregate “Number of Warrants” for all “Components” under the Base Warrant Transaction and (ii) the aggregate “Number of Warrants” for all “Components” under the Additional Warrant Transaction (without giving effect to the amendments set forth herein).

#### 5. *Representations, Warranties and Covenants.*

a. Each party re-makes, as of the date hereof, each of the representations and warranties set forth in Section 3(a) of the Agreement and Section 7(b) of the Confirmations.

b. Issuer re-makes, as of the date hereof, each of the representations and warranties, and agrees to comply with the covenants, set forth in Section 7(a)(i), (iv), (v), (vi), (ix)(C) and (x) of the Confirmations; *provided* that, solely for this purpose:

i. Any reference therein to:

1. the Confirmation shall be deemed replaced by this Amendment;
2. the Trade Date or the Effective Date shall, in each case, be deemed replaced by the date hereof;

3. the Transaction shall be deemed to refer to the Transaction as amended hereby; and
4. the Settlement Period (including, for the avoidance of doubt, references to certain Expiration Dates in the definition thereof) shall be deemed replaced by the Hedging Period; and

ii. The exception set forth in Section 7(a)(x) of the Confirmations for purchases, offers or orders through Dealer or Royal Bank of Canada or Société Générale shall not apply. For the avoidance of doubt, Issuer shall not be deemed to have breached Section 7(a)(x) of the Confirmations on account of its entry into this Amendment or the other warrant transaction amendments executed substantially contemporaneously herewith.

c. Issuer represents, warrants and covenants to Dealer that:

i. Issuer is entering into this Amendment in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act (“**Rule 10b5-1**”) or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Issuer and Dealer each acknowledges that it is the intent of the parties that this Amendment comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 and this Amendment shall be interpreted to comply with the requirements of Rule 10b5-1(c).

ii. Issuer is entering into this Amendment hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares.

iii. Issuer acknowledges and agrees that any amendment, modification or waiver of the terms set forth herein must be effected in accordance with the requirements for the amendment of a “plan” as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification or waiver shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification or waiver shall be made at any time at which Issuer is aware of any material non-public information regarding Issuer or the Shares.

d. Dealer acknowledges and agrees that Section 3 of the Confirmations will apply to any judgment, determination or calculation made by the Calculation Agent in connection with this Amendment.

6. *Adjustments.* If any event occurs with respect to Issuer or the Shares during the Hedging Period that gives rise to an adjustment under the Confirmations or the Equity Definitions to the terms of the Transactions, the Calculation Agent will also adjust the terms set forth herein as appropriate to preserve the economic intent of the parties.

7. *Continuing Effect.* Except as expressly amended hereby, the terms and provisions of the Transactions and Confirmations shall remain and continue in full force and effect and are hereby confirmed in all respects.



8. *Counterparts.* This Amendment may be signed in any number of counterparts, each of which shall be considered an original, with the same effect as if all of the signatures hereto and thereto were upon the same instrument.

9. *Waiver of Trial by Jury.* **EACH OF ISSUER AND DEALER HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTIONS, AS AMENDED HEREBY, OR THE ACTIONS OF DEALER OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT OF THIS AMENDMENT AND THE CONFIRMATIONS AS AMENDED HEREBY.**

10. *Governing Law; Jurisdiction.* **THIS AMENDMENT AND EACH CONFIRMATIONS AS AMENDED HEREBY AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT AND THE CONFIRMATIONS AS AMENDED HEREBY SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.**

Please confirm that the foregoing correctly sets forth the terms of our agreement by sending to us a letter or telex substantially similar to this facsimile, which letter or telex sets forth the terms of the amendments to the Transactions and indicates your agreement to those terms. Dealer will make the time of execution of the Amendment available upon request.

Dealer is regulated by the Financial Services Authority.

**DEUTSCHE BANK AG, LONDON BRANCH**

By: /s/ Michael Sanderson  
Name: Michael Sanderson  
Title: Managing Director

By: /s/ Lars Kestner  
Name: Lars Kestner  
Title: Managing Director

**DEUTSCHE BANK SECURITIES INC.,**  
acting solely as Agent in connection with the Transactions

By: /s/ Michael Sanderson  
Name: Michael Sanderson  
Title: Managing Director

By: /s/ Lars Kestner  
Name: Lars Kestner  
Title: Managing Director

Confirmed and Acknowledged as of the date first above written:

**ENCORE CAPITAL GROUP, INC.**

By: /s/ Kenneth A. Vecchione  
Name: Kenneth A. Vecchione  
Title: President and Chief Executive Officer

ANNEX A

[\* \* \*]

[\*\*\*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

## FORM OF HEDGING COMPLETION NOTICE

[DATE]

To: Encore Capital Group, Inc.  
 3111 Camino Del Rio North, Suite 1300  
 San Diego, California 92108  
 Attn: Paul Grinberg, Chief Financial Officer  
 Telephone: 858-309-6904  
 Facsimile: 858-309-6977

Reference is hereby made to the letter agreement re: Amendment to Warrant Transactions (the "**Amendment**"), dated December 16, 2013, between Deutsche Bank AG, London Branch ("**Dealer**") and Encore Capital Group, Inc. ("**Issuer**"). Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Amendment. For purposes of the Amendment and the Confirmations, the following terms shall have the meanings set forth below:

Aggregate Restrike Cost:	[ ]
Delta:	[ ]
Hedge Completion Date:	[ ]
Hedge Completion Percentage:	[ ]
Hedge Execution Price:	[ ]
Hedge Purchase Number:	[ ]
Restrike Cost Per Share:	[ ]
Target Hedge Purchase Number:	[ ]

[For Additional Warrant Transaction:

"Number of Warrants" for each "Component" other than the last "Component":	[ ]
"Number of Warrants" for last "Component":	[ ]

For Base Warrant Transaction:

"Number of Warrants" for each "Component" other than the last "Component":	[ ]
"Number of Warrants" for last "Component":	[ ] <sup>1</sup>

<sup>1</sup> Include if Hedge Completion Percentage is less than 100%.

**DEUTSCHE BANK AG, LONDON BRANCH**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**DEUTSCHE BANK SECURITIES INC.,**  
acting solely as Agent in connection with the Transactions

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Confirmed and Acknowledged as of the date first above written:

**ENCORE CAPITAL GROUP, INC.**

By: \_\_\_\_\_  
Name:  
Title:

December 16, 2013

To: Encore Capital Group, Inc.  
 3111 Camino Del Rio North, Suite 1300  
 San Diego, California 92108  
 Attn: Paul Grinberg, Chief Financial Officer  
 Telephone: 858-309-6904  
 Facsimile: 858-309-6977

From: RBC Capital Markets, LLC  
 as agent for Royal Bank of Canada  
 3 World Financial Center – 8th Floor  
 200 Vesey Street  
 New York, NY 10281-8089  
 Telephone: 212-858-7000  
 Facsimile: 212-428-3053

**Re: Amendment to Warrant Transactions**

Ladies and Gentlemen:

This letter agreement (this “**Amendment**”) amends the letter agreement re: Base Issuer Warrant Transaction, between Royal Bank of Canada (“**Dealer**”) and Encore Capital Group, Inc. (“**Issuer**”), dated November 20, 2012 (such letter agreement, the “**Base Warrant Confirmation**” and the “**Transaction**” as defined therein, the “**Base Warrant Transaction**”), and the letter agreement re: Additional Issuer Warrant Transaction, between Dealer and Issuer, dated December 6, 2012 (such letter agreement, the “**Additional Warrant Confirmation**” and together with the Base Warrant Confirmation, the “**Confirmations**,” and the “**Transaction**” as defined in the Additional Warrant Confirmation, the “**Additional Warrant Transaction**” and together with the Base Warrant Transaction, the “**Transactions**”), as set forth below. Any capitalized term used but not defined herein shall have the meaning assigned thereto in the Base Warrant Confirmation or the Additional Warrant Confirmation, as the context shall require.

1. *Amendments.*

a. If the Hedge Completion Percentage is 100%, each Confirmation shall be amended by increasing the “Strike Price” of each Transaction from USD 44.1875 to USD 60.00.

b. If the Hedge Completion Percentage is less than 100%:

i. The Additional Warrant Confirmation shall be amended by:

1. Replacing the “Number of Warrants” for each “Component” other than the last “Component” of the Additional Warrant Transaction with a number of “Warrants” (the “**Additional Daily Warrant Number**”) equal to (i) the product of (a) the Hedge Completion Percentage and (b) the Total Number of Warrants, rounded down to the nearest whole number (the “**Additional Total Warrant Number**”) *divided by* (ii) 150, rounded down to the nearest whole number;

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [\*\*\*]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

2. Replacing the “Number of Warrants” for the last “Component” of the Additional Warrant Transaction with a number of “Warrants” equal to the (i) the Additional Total Warrant Number *less* (ii) the product of 149 and the Additional Daily Warrant Number; and
  3. Increasing the “Strike Price” of the Additional Warrant Transaction from USD 44.1875 to USD 60.00; and
- ii. The Base Warrant Confirmation shall be amended by:
1. Replacing the “Number of Warrants” for each “Component” other than the last “Component” of the Base Warrant Transaction with a number of “Warrants” (the “**Base Daily Warrant Number**”) equal to (i) the Total Number of Warrants *less* the aggregate “Number of Warrants” for all “Components” under the Additional Warrant Transaction, after giving effect to the amendments set forth in Section 1.b.i above (the “**Base Total Warrant Number**”), *divided by* (ii) 150, rounded down to the nearest whole number; and
  2. Replacing the “Number of Warrants” for the last “Component” of the Base Warrant Transaction with a number of “Warrants” equal to (i) the Base Total Warrant Number *less* (ii) the product of 149 and the Base Daily Warrant Number.

2. *Hedging Completion Notice.* On the first Scheduled Trading Day following the Hedge Completion Date, Dealer will deliver to Issuer a hedging completion notice substantially in the form set forth in Annex B hereto, and no later than the first Scheduled Trading Day following delivery to Issuer of such notice, absent manifest error, Issuer will return to Dealer a counter-signed copy thereof.

3. *Restrike Cost.* In consideration for the amendments contained herein:

a. On December 19, 2013, Issuer shall pay to Dealer an amount in USD equal to the product of (i) 13,895,000 and (ii) 40% (such product, the “**Prepayment Amount**”); and

b. On the later of the third Currency Business Day following the Hedge Completion Date and January 2, 2014, (A) if the Aggregate Restrike Cost exceeds the Prepayment Amount, Issuer shall pay to Dealer an amount in USD equal to such excess or (B) if the Prepayment Amount exceeds the Aggregate Restrike Cost, Dealer shall pay to Issuer an amount in USD equal to such excess.

4. *Definitions.* As used herein:

“**Aggregate Restrike Cost**” means the product of (i) the Hedge Completion Percentage *multiplied by* the Total Number of Warrants and (ii) the Restrike Cost Per Share.

“**Delta**” means the “Delta” set forth in the grid in Annex A hereto corresponding to the Hedge Execution Price; *provided that* (i) if the Hedge Execution Price is between “Hedge Execution Prices” set forth in such grid, “**Delta**” shall be determined by linear interpolation between the “Deltas” set forth in such grid corresponding to such “Hedge Execution Prices” and (ii) if the Hedge Execution Price is less than the lowest “Hedge Execution Price” set forth in such grid, “**Delta**” will be determined by the Calculation Agent in a manner consistent with the methodology used in creating such grid.

“**Hedge Completion Percentage**” means the ratio of the Hedge Purchase Number to the Target Hedge Purchase Number.

“**Hedge Execution Price**” means the per-Share volume-weighted average price at which Dealer (or its affiliate or agent) purchases Shares during the Hedging Period to adjust its Hedge Positions in connection with this Amendment; *provided* that the price per Share for any such purchase shall not exceed the Limit Price (as defined in Annex A hereto).

“**Hedge Purchase Number**” means the number of Shares purchased by Dealer (or its affiliate or agent) during the Hedging Period to adjust its Hedge Positions in connection with this Amendment.

“**Hedging Period**” means the period of consecutive Scheduled Trading Days beginning on, and including, December 17, 2013, and ending on, and including, the earlier of (i) the first date on which Dealer (or its affiliate or agent) has completed purchasing Shares to adjust its Hedge Positions in connection with this Amendment and (ii) February 20, 2014 (such earlier date, the “**Hedge Completion Date**”).

“**Restrike Cost Per Share**” means the “Restrike Cost Per Share” set forth in the grid in Annex A hereto corresponding to the Hedge Execution Price; *provided* that (i) if the Hedge Execution Price is between “Hedge Execution Prices” set forth in such grid, the “**Restrike Cost Per Share**” shall be determined by linear interpolation between the “Restrike Costs Per Share” set forth in such grid corresponding to such “Hedge Execution Prices” and (ii) if the Hedge Execution Price is less than the lowest “Hedge Execution Price” set forth in such grid, the “**Restrike Cost Per Share**” will be determined by the Calculation Agent in a manner consistent with the methodology used in creating such grid.

“**Target Hedge Purchase Number**” means a number of Shares equal to the product of (i) Delta and (ii) the Total Number of Warrants, rounded down to the nearest Share.

“**Total Number of Warrants**” means the sum of (i) the aggregate “Number of Warrants” for all “Components” under the Base Warrant Transaction and (ii) the aggregate “Number of Warrants” for all “Components” under the Additional Warrant Transaction (without giving effect to the amendments set forth herein).

#### 5. *Representations, Warranties and Covenants.*

a. Each party re-makes, as of the date hereof, each of the representations and warranties set forth in Section 3(a) of the Agreement and Section 7(b) of the Confirmations.

b. Issuer re-makes, as of the date hereof, each of the representations and warranties, and agrees to comply with the covenants, set forth in Section 7(a)(i), (iv), (v), (vi), (ix)(C) and (x) of the Confirmations; *provided* that, solely for this purpose:

i. Any reference therein to:

1. the Confirmation shall be deemed replaced by this Amendment;
2. the Trade Date or the Effective Date shall, in each case, be deemed replaced by the date hereof;
3. the Transaction shall be deemed to refer to the Transaction as amended hereby; and
4. the Settlement Period (including, for the avoidance of doubt, references to certain Expiration Dates in the definition thereof) shall be deemed replaced by the Hedging Period; and

ii. The exception set forth in Section 7(a)(x) of the Confirmations for purchases, offers or orders through Dealer or Deutsche Bank AG or Société Générale shall not apply. For the avoidance of doubt, Issuer shall not be deemed to have breached Section 7(a)(x) of the Confirmations on account of its entry into this Amendment or the other warrant transaction amendments executed substantially contemporaneously herewith.



c. Issuer represents, warrants and covenants to Dealer that:

i. Issuer is entering into this Amendment in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act (“**Rule 10b5-1**”) or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Issuer and Dealer each acknowledges that it is the intent of the parties that this Amendment comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 and this Amendment shall be interpreted to comply with the requirements of Rule 10b5-1(c).

ii. Issuer is entering into this Amendment hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares.

iii. Issuer acknowledges and agrees that any amendment, modification or waiver of the terms set forth herein must be effected in accordance with the requirements for the amendment of a “plan” as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification or waiver shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification or waiver shall be made at any time at which Issuer is aware of any material non-public information regarding Issuer or the Shares.

d. Dealer acknowledges and agrees that Section 3 of the Confirmations will apply to any judgment, determination or calculation made by the Calculation Agent in connection with this Amendment.

6. *Adjustments.* If any event occurs with respect to Issuer or the Shares during the Hedging Period that gives rise to an adjustment under the Confirmations or the Equity Definitions to the terms of the Transactions, the Calculation Agent will also adjust the terms set forth herein as appropriate to preserve the economic intent of the parties.

7. *Continuing Effect.* Except as expressly amended hereby, the terms and provisions of the Transactions and Confirmations shall remain and continue in full force and effect and are hereby confirmed in all respects.

8. *Counterparts.* This Amendment may be signed in any number of counterparts, each of which shall be considered an original, with the same effect as if all of the signatures hereto and thereto were upon the same instrument.

9. *Waiver of Trial by Jury.* EACH OF ISSUER AND DEALER HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTIONS, AS AMENDED HEREBY, OR THE ACTIONS OF DEALER OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT OF THIS AMENDMENT AND THE CONFIRMATIONS AS AMENDED HEREBY.

10. *Governing Law; Jurisdiction.* THIS AMENDMENT AND EACH CONFIRMATIONS AS AMENDED HEREBY AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT AND THE CONFIRMATIONS AS AMENDED HEREBY SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.

This Amendment may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Issuer hereby agrees to check this Amendment to confirm that the foregoing correctly sets forth the terms of the amendments to the Transactions by signing in the space provided below and returning to Dealer a facsimile of the fully-executed Amendment to Dealer at (212) 428-3053. Originals shall be provided for your execution upon your request.

We are very pleased to have executed the Amendment with you and we look forward to completing other transactions with you in the near future.

Very truly yours,

**ROYAL BANK OF CANADA**  
**by its agent**  
**RBC Capital Markets, LLC**

By: /s/ Alex Rabaev

Name: Alex Rabaev

Title: Associate Director

Confirmed and Acknowledged as of the date first above written:

**ENCORE CAPITAL GROUP, INC.**

By: /s/ Kenneth A. Vecchione

Name: Kenneth A. Vecchione

Title: President and Chief Executive Officer

ANNEX A

[\* \* \*]

[\*\*\*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

## FORM OF HEDGING COMPLETION NOTICE

[DATE]

To: Encore Capital Group, Inc.  
 3111 Camino Del Rio North, Suite 1300  
 San Diego, California 92108  
 Attn: Paul Grinberg, Chief Financial Officer  
 Telephone: 858-309-6904  
 Facsimile: 858-309-6977

Reference is hereby made to the letter agreement re: Amendment to Warrant Transactions (the "**Amendment**"), dated December 16, 2013, between Royal Bank of Canada ("**Dealer**") and Encore Capital Group, Inc. ("**Issuer**"). Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Amendment. For purposes of the Amendment and the Confirmations, the following terms shall have the meanings set forth below:

Aggregate Restrike Cost:	[ ]
Delta:	[ ]
Hedge Completion Date:	[ ]
Hedge Completion Percentage:	[ ]
Hedge Execution Price:	[ ]
Hedge Purchase Number:	[ ]
Restrike Cost Per Share:	[ ]
Target Hedge Purchase Number:	[ ]

*[For Additional Warrant Transaction:*

"Number of Warrants" for each "Component" other than the last "Component":	[ ]
"Number of Warrants" for last "Component":	[ ]

*For Base Warrant Transaction:*

"Number of Warrants" for each "Component" other than the last "Component":	[ ]
"Number of Warrants" for last "Component":	[ ] <sup>1</sup>

<sup>1</sup> Include if Hedge Completion Percentage is less than 100%.

Very truly yours,

**ROYAL BANK OF CANADA**  
**by its agent**  
**RBC Capital Markets, LLC**

By: \_\_\_\_\_  
Name:  
Title:

Confirmed and Acknowledged as of the date first above written:

**ENCORE CAPITAL GROUP, INC.**

By: \_\_\_\_\_  
Name:  
Title:



December 16, 2013

To: Encore Capital Group, Inc.  
 3111 Camino Del Rio North, Suite 1300  
 San Diego, California 92108  
 Attn: Paul Grinberg, Chief Financial Officer  
 Telephone: 858-309-6904  
 Facsimile: 858-309-6977

From: Société Générale  
 245 Park Avenue  
 New York, NY 10167

Re: **Amendment to Warrant Transactions**

Ladies and Gentlemen:

This letter agreement (this "**Amendment**") amends the letter agreement re: Base Issuer Warrant Transaction, between Société Générale ("**Dealer**") and Encore Capital Group, Inc. ("**Issuer**"), dated November 20, 2012 (such letter agreement, the "**Base Warrant Confirmation**" and the "Transaction" as defined therein, the "**Base Warrant Transaction**"), and the letter agreement re: Additional Issuer Warrant Transaction, between Dealer and Issuer, dated December 6, 2012 (such letter agreement, the "**Additional Warrant Confirmation**" and together with the Base Warrant Confirmation, the "**Confirmations**," and the "Transaction" as defined in the Additional Warrant Confirmation, the "**Additional Warrant Transaction**" and together with the Base Warrant Transaction, the "**Transactions**"), as set forth below. Any capitalized term used but not defined herein shall have the meaning assigned thereto in the Base Warrant Confirmation or the Additional Warrant Confirmation, as the context shall require.

1. *Amendments.*

a. If the Hedge Completion Percentage is 100%, each Confirmation shall be amended by increasing the "Strike Price" of each Transaction from USD 44.1875 to USD 60.00.

b. If the Hedge Completion Percentage is less than 100%:

i. The Additional Warrant Confirmation shall be amended by:

1. Replacing the "Number of Warrants" for each "Component" other than the last "Component" of the Additional Warrant Transaction with a number of "Warrants" (the "**Additional Daily Warrant Number**") equal to (i) the product of (a) the Hedge Completion Percentage and (b) the Total Number of Warrants, rounded down to the nearest whole number (the "**Additional Total Warrant Number**") divided by (ii) 150, rounded down to the nearest whole number;

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [\*\*\*]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

2. Replacing the “Number of Warrants” for the last “Component” of the Additional Warrant Transaction with a
  3. number of “Warrants” equal to the (i) the Additional Total Warrant Number *less* (ii) the product of 149 and the Additional Daily Warrant Number; and
  4. Increasing the “Strike Price” of the Additional Warrant Transaction from USD 44.1875 to USD 60.00; and
- ii. The Base Warrant Confirmation shall be amended by:
1. Replacing the “Number of Warrants” for each “Component” other than the last “Component” of the Base Warrant Transaction with a number of “Warrants” (the “**Base Daily Warrant Number**”) equal to (i) the Total Number of Warrants *less* the aggregate “Number of Warrants” for all “Components” under the Additional Warrant Transaction, after giving effect to the amendments set forth in Section 1.b.i above (the “**Base Total Warrant Number**”), *divided by* (ii) 150, rounded down to the nearest whole number; and
  2. Replacing the “Number of Warrants” for the last “Component” of the Base Warrant Transaction with a number of “Warrants” equal to (i) the Base Total Warrant Number *less* (ii) the product of 149 and the Base Daily Warrant Number.

2. *Hedging Completion Notice.* On the first Scheduled Trading Day following the Hedge Completion Date, Dealer will deliver to Issuer a hedging completion notice substantially in the form set forth in Annex B hereto, and no later than the first Scheduled Trading Day following delivery to Issuer of such notice, absent manifest error, Issuer will return to Dealer a counter-signed copy thereof.

3. *Restrike Cost.* In consideration for the amendments contained herein:

a. On December 19, 2013, Issuer shall pay to Dealer an amount in USD equal to the product of (i) 13,895,000 and (ii) 20% (such product, the “**Prepayment Amount**”); and

b. On the later of the third Currency Business Day following the Hedge Completion Date and January 2, 2014, (A) if the Aggregate Restrike Cost exceeds the Prepayment Amount, Issuer shall pay to Dealer an amount in USD equal to such excess or (B) if the Prepayment Amount exceeds the Aggregate Restrike Cost, Dealer shall pay to Issuer an amount in USD equal to such excess.

4. *Definitions.* As used herein:

“**Aggregate Restrike Cost**” means the product of (i) the Hedge Completion Percentage *multiplied by* the Total Number of Warrants and (ii) the Restrike Cost Per Share.

“**Delta**” means the “Delta” set forth in the grid in Annex A hereto corresponding to the Hedge Execution Price; *provided that* (i) if the Hedge Execution Price is between “Hedge Execution Prices” set forth in such grid, “**Delta**” shall be determined by linear interpolation between the “Deltas” set forth in such grid corresponding to such “Hedge Execution Prices” and (ii) if the Hedge Execution Price is less than the lowest “Hedge Execution Price” set forth in such grid, “**Delta**” will be determined by the Calculation Agent in a manner consistent with the methodology used in creating such grid.



“**Hedge Completion Percentage**” means the ratio of the Hedge Purchase Number to the Target Hedge Purchase Number.

“**Hedge Execution Price**” means the per-Share volume-weighted average price at which Dealer (or its affiliate or agent) purchases Shares during the Hedging Period to adjust its Hedge Positions in connection with this Amendment; *provided* that the price per Share for any such purchase shall not exceed the Limit Price (as defined in Annex A hereto).

“**Hedge Purchase Number**” means the number of Shares purchased by Dealer (or its affiliate or agent) during the Hedging Period to adjust its Hedge Positions in connection with this Amendment.

“**Hedging Period**” means the period of consecutive Scheduled Trading Days beginning on, and including, December 17, 2013, and ending on, and including, the earlier of (i) the first date on which Dealer (or its affiliate or agent) has completed purchasing Shares to adjust its Hedge Positions in connection with this Amendment and (ii) February 20, 2014 (such earlier date, the “**Hedge Completion Date**”).

“**Restrike Cost Per Share**” means the “Restrike Cost Per Share” set forth in the grid in Annex A hereto corresponding to the Hedge Execution Price; *provided* that (i) if the Hedge Execution Price is between “Hedge Execution Prices” set forth in such grid, the “**Restrike Cost Per Share**” shall be determined by linear interpolation between the “Restrike Costs Per Share” set forth in such grid corresponding to such “Hedge Execution Prices” and (ii) if the Hedge Execution Price is less than the lowest “Hedge Execution Price” set forth in such grid, the “**Restrike Cost Per Share**” will be determined by the Calculation Agent in a manner consistent with the methodology used in creating such grid.

“**Target Hedge Purchase Number**” means a number of Shares equal to the product of (i) Delta and (ii) the Total Number of Warrants, rounded down to the nearest Share.

“**Total Number of Warrants**” means the sum of (i) the aggregate “Number of Warrants” for all “Components” under the Base Warrant Transaction and (ii) the aggregate “Number of Warrants” for all “Components” under the Additional Warrant Transaction (without giving effect to the amendments set forth herein).

#### 5. *Representations, Warranties and Covenants.*

a. Each party re-makes, as of the date hereof, each of the representations and warranties set forth in Section 3(a) of the Agreement and Section 7(b) of the Confirmations.

b. Issuer re-makes, as of the date hereof, each of the representations and warranties, and agrees to comply with the covenants, set forth in Section 7(a)(i), (iv), (v), (vi), (ix)(C) and (x) of the Confirmations; *provided* that, solely for this purpose:

i. Any reference therein to:

1. the Confirmation shall be deemed replaced by this Amendment;
2. the Trade Date or the Effective Date shall, in each case, be deemed replaced by the date hereof;
3. the Transaction shall be deemed to refer to the Transaction as amended hereby; and
4. the Settlement Period (including, for the avoidance of doubt, references to certain Expiration Dates in the definition thereof) shall be deemed replaced by the Hedging Period; and

ii. The exception set forth in Section 7(a)(x) of the Confirmations for purchases, offers or orders through Dealer or Deutsche Bank or Royal Bank of Canada shall not apply. For the avoidance of doubt, Issuer shall not be deemed to have breached Section 7(a)(x) of the Confirmations on account of its entry into this Amendment or the other warrant transaction amendments executed substantially contemporaneously herewith.

c. Issuer represents, warrants and covenants to Dealer that:

i. Issuer is entering into this Amendment in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act (“**Rule 10b5-1**”) or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Issuer and Dealer each acknowledges that it is the intent of the parties that this Amendment comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 and this Amendment shall be interpreted to comply with the requirements of Rule 10b5-1(c).

ii. Issuer is entering into this Amendment hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares.

iii. Issuer acknowledges and agrees that any amendment, modification or waiver of the terms set forth herein must be effected in accordance with the requirements for the amendment of a “plan” as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification or waiver shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification or waiver shall be made at any time at which Issuer is aware of any material non-public information regarding Issuer or the Shares.

d. Dealer acknowledges and agrees that Section 3 of the Confirmations will apply to any judgment, determination or calculation made by the Calculation Agent in connection with this Amendment.

6. *Adjustments.* If any event occurs with respect to Issuer or the Shares during the Hedging Period that gives rise to an adjustment under the Confirmations or the Equity Definitions to the terms of the Transactions, the Calculation Agent will also adjust the terms set forth herein as appropriate to preserve the economic intent of the parties.

7. *Continuing Effect.* Except as expressly amended hereby, the terms and provisions of the Transactions and Confirmations shall remain and continue in full force and effect and are hereby confirmed in all respects.

8. *Counterparts.* This Amendment may be signed in any number of counterparts, each of which shall be considered an original, with the same effect as if all of the signatures hereto and thereto were upon the same instrument.

9. *Waiver of Trial by Jury.* EACH OF ISSUER AND DEALER HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTIONS, AS AMENDED HEREBY, OR THE ACTIONS OF DEALER OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT OF THIS AMENDMENT AND THE CONFIRMATIONS AS AMENDED HEREBY.

10. *Governing Law; Jurisdiction.* THIS AMENDMENT AND EACH CONFIRMATIONS AS AMENDED HEREBY AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT AND THE CONFIRMATIONS AS AMENDED HEREBY SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.

Issuer hereby agrees (a) to check this Amendment carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Dealer) correctly sets forth the terms of the agreement between Dealer and Issuer with respect to the matters set forth herein, by manually signing this Amendment or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Dealer.

Yours faithfully,

**SOCIETE GENERALE**

By: /s/ Judy Liu

Name: Judy Liu

Title: OTC Documentation

Confirmed and Acknowledged as of the date first above written:

**ENCORE CAPITAL GROUP, INC.**

By: /s/ Kenneth A. Vecchione

Name: Kenneth A. Vecchione

Title: President and Chief Executive Officer

ANNEX A

[\* \* \*]

[\*\*\*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

## FORM OF HEDGING COMPLETION NOTICE

[DATE]

To: Encore Capital Group, Inc.  
 3111 Camino Del Rio North, Suite 1300  
 San Diego, California 92108  
 Attn: Paul Grinberg, Chief Financial Officer  
 Telephone: 858-309-6904  
 Facsimile: 858-309-6977

Reference is hereby made to the letter agreement re: Amendment to Warrant Transactions (the "**Amendment**"), dated December 16, 2013, between Société Générale ("**Dealer**") and Encore Capital Group, Inc. ("**Issuer**"). Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Amendment. For purposes of the Amendment and the Confirmations, the following terms shall have the meanings set forth below:

Aggregate Restrike Cost:	[ ]
Delta:	[ ]
Hedge Completion Date:	[ ]
Hedge Completion Percentage:	[ ]
Hedge Execution Price:	[ ]
Hedge Purchase Number:	[ ]
Restrike Cost Per Share:	[ ]
Target Hedge Purchase Number:	[ ]

*[For Additional Warrant Transaction:*

"Number of Warrants" for each "Component" other than the last "Component":	[ ]
"Number of Warrants" for last "Component":	[ ]

*For Base Warrant Transaction:*

"Number of Warrants" for each "Component" other than the last "Component":	[ ]
"Number of Warrants" for last "Component":	[ ] <sup>1</sup>

<sup>1</sup> Include if Hedge Completion Percentage is less than 100%.

Yours faithfully,

**SOCIETE GENERALE**

By: \_\_\_\_\_  
Name:  
Title:

Confirmed and Acknowledged as of the date first above written:

**ENCORE CAPITAL GROUP, INC.**

By: \_\_\_\_\_  
Name:  
Title: