UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

COMMISSION FILE NUMBER: 000-26489

ENCORE CAPITAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**48-1090909**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
3111 Camino Del Rio North, Suite 1300 San Diego, California	**92108**
(Address of principal executive offices)	**(Zip code)**

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

(Not Applicable)
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at July 29, 2013**
Common Stock, $0.01 par value	25,252,071 shares

ENCORE CAPITAL GROUP, INC.
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PART I – FINANCIAL INFORMATION
Item 1 – Condensed Consolidated Financial Statements (Unaudited)

ENCORE CAPITAL GROUP, INC.
Condensed Consolidated Statements of Financial Condition
(In Thousands, Except Par Value Amounts)
(Unaudited)

	June 30, 2013	December 31, 2012
Assets		
Cash and cash equivalents	$ 222,171	$ 17,510
Investment in receivable portfolios, net	1,096,698	873,119
Deferred court costs, net	40,056	35,407
Receivables secured by property tax liens, net	198,065	135,100
Property and equipment, net	36,788	23,223
Other assets	91,881	31,535
Goodwill	119,788	55,446
Total assets	$ 1,805,447	$ 1,171,340
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable and accrued liabilities	$ 76,846	$ 45,450
Deferred tax liabilities, net	104,303	8,236
Debt	1,107,659	706,036
Other liabilities	6,269	5,802
Total liabilities	1,295,077	765,524
Commitments and contingencies		
Stockholders' equity:		
Convertible preferred stock, $.01 par value, 5,000 shares authorized, no shares issued and outstanding	—	—
Common stock, $.01 par value, 50,000 shares authorized, 25,252 shares and 23,191 shares issued and outstanding as of June 30, 2013 and December 31, 2012, respectively	253	232
Additional paid-in capital	163,753	88,029
Accumulated earnings	349,789	319,329
Accumulated other comprehensive loss	(3,425)	(1,774)
Total stockholders' equity	510,370	405,816
Total liabilities and stockholders' equity	$ 1,805,447	$ 1,171,340

See accompanying notes to condensed consolidated financial statements

ENCORE CAPITAL GROUP, INC.

Condensed Consolidated Statements of Comprehensive Income
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues				
Revenue from receivable portfolios, net	$ 152,024	$ 138,731	$ 292,707	$ 265,136
Other revenue	380	183	681	188
Interest income – tax lien business	5,051	2,982	9,766	2,982
Interest expense – tax lien business	(1,334)	(650)	(2,447)	(650)
Net interest income – tax lien business	3,717	2,332	7,319	2,332
Total revenues	156,121	141,246	300,707	267,656
Operating expenses				
Salaries and employee benefits	32,969	25,190	61,801	47,494
Cost of legal collections	44,483	41,024	86,741	79,659
Other operating expenses	13,797	12,427	27,062	24,025
Collection agency commissions	5,230	4,166	8,559	8,125
General and administrative expenses	27,601	18,582	43,943	32,240
Depreciation and amortization	2,158	1,420	4,004	2,660
Total operating expenses	126,238	102,809	232,110	194,203
Income from operations	29,883	38,437	68,597	73,453
Other (expense) income				
Interest expense	(7,482)	(6,497)	(14,336)	(12,012)
Other (expense) income	(4,122)	(106)	(3,963)	161
Total other expense	(11,604)	(6,603)	(18,299)	(11,851)
Income from continuing operations before income taxes	18,279	31,834	50,298	61,602
Provision for income taxes	(7,267)	(12,846)	(19,838)	(24,506)
Income from continuing operations	11,012	18,988	30,460	37,096
Loss from discontinued operations, net of tax	—	(2,392)	—	(9,094)
Net income	$ 11,012	$ 16,596	$ 30,460	$ 28,002
Weighted average shares outstanding:				
Basic	23,966	24,919	23,707	24,850
Diluted	24,855	25,825	24,652	25,822
Basic earnings (loss) per share from:				
Continuing operations	$ 0.46	$ 0.76	$ 1.28	$ 1.49
Discontinued operations	$ —	$ (0.09)	$ —	$ (0.36)
Net basic earnings per share	$ 0.46	$ 0.67	$ 1.28	$ 1.13
Diluted earnings (loss) per share from:				
Continuing operations	$ 0.44	$ 0.74	$ 1.24	$ 1.44
Discontinued operations	$ —	$ (0.10)	$ —	$ (0.36)
Net diluted earnings per share	$ 0.44	$ 0.64	$ 1.24	$ 1.08
Other comprehensive loss:				
Unrealized loss on derivative instruments, net of tax	(1,574)	(1,790)	(954)	(1,108)
Unrealized loss on foreign currency translation, net of tax	(583)	—	(697)	—
Other comprehensive loss, net of tax	(2,157)	(1,790)	(1,651)	(1,108)
Comprehensive income	$ 8,855	$ 14,806	$ 28,809	$ 26,894

See accompanying notes to condensed consolidated financial statements

ENCORE CAPITAL GROUP, INC.

Condensed Consolidated Statements of Stockholders' Equity

(Unaudited, In Thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Earnings	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Par				
Balance at December 31, 2012	23,191	$ 232	$ 88,029	$ 319,329	$ (1,774)	$ 405,816
Net income	—	—	—	30,460	—	30,460
Unrealized loss on derivative instruments, net of tax	—	—	—	—	(954)	(954)
Unrealized loss on foreign currency translation adjustments, net of tax	—	—	—	—	(697)	(697)
Exercise of stock options and issuance of share-based awards, net of shares withheld for employee taxes	413	4	(6,065)	—	—	(6,061)
Repurchase of common stock	(24)	—	(729)	—	—	(729)
Issuance of common stock	1,672	17	62,335	—	—	62,352
Stock-based compensation	—	—	5,180	—	—	5,180
Issuance of convertible notes	—	—	26,850	—	—	26,850
Purchase of convertible hedge	—	—	(15,750)	—	—	(15,750)
Tax benefit related to stock-based compensation	—	—	3,749	—	—	3,749
Tax benefit related to convertible notes, net	—	—	154	—	—	154
Balance at June 30, 2013	25,252	$ 253	$ 163,753	$ 349,789	$ (3,425)	$ 510,370

See accompanying notes to condensed consolidated financial statements

ENCORE CAPITAL GROUP, INC.

Condensed Consolidated Statements of Cash Flows
(Unaudited, In Thousands)

	Six Months Ended June 30,	
	2013	**2012**
Operating activities:		
Net income	$ 30,460	$ 28,002
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	4,004	2,660
Impairment charge for goodwill and identifiable intangible assets	—	10,400
Amortization of loan costs and premium on receivables secured by tax liens	3,550	1,210
Stock-based compensation expense	5,180	4,805
Recognized loss on termination of derivative contract	3,630	—
Deferred income taxes	(3,297)	89
Excess tax benefit from stock-based payment arrangements	(3,848)	(1,689)
Loss on sale of discontinued operations	—	2,416
Reversal for allowances on receivable portfolios, net	(4,680)	(789)
Changes in operating assets and liabilities, net of effects of acquisition		
Other assets	(8,502)	298
Deferred court costs	1,492	(1,664)
Prepaid income tax and income taxes payable	(19,559)	(6,455)
Accounts payable, accrued liabilities and other liabilities	2,821	5,322
Net cash provided by operating activities	11,251	44,605
Investing activities:		
Cash paid for acquisition, net of cash acquired	(293,329)	(185,990)
Purchases of receivable portfolios	(100,650)	(361,446)
Collections applied to investment in receivable portfolios	260,531	207,205
Proceeds from put-backs of receivable portfolios	2,454	1,625
Originations and purchases of receivables secured by tax liens	(87,961)	(14,072)
Collections applied to receivables secured by tax liens	27,097	7,467
Payment on termination of derivative contract	(3,630)	—
Purchases of property and equipment	(5,335)	(2,595)
Purchases of intangible assets	(1,900)	—
Net cash used in investing activities	(202,723)	(347,806)
Financing activities:		
Payment of loan costs	(11,846)	(1,619)
Repayment of senior secured notes	(6,250)	—
Proceeds from credit facilities	514,065	383,399
Repayment of credit facilities	(228,175)	(70,500)
Proceeds from issuance of convertible senior notes	150,000	—
Payment of convertible hedge transactions	(15,750)	—
Repurchase of common stock	(729)	—
Proceeds from exercise of stock options	2,359	2,583
Taxes paid related to net share settlement of equity awards	(8,420)	(2,177)
Excess tax benefit from stock-based payment arrangements	3,848	1,689
Repayment of capital lease obligations	(2,969)	(3,207)
Net cash provided by financing activities	396,133	310,168
Net increase in cash and cash equivalents	204,661	6,967
Cash and cash equivalents, beginning of period	17,510	8,047
Cash and cash equivalents, end of period	$ 222,171	$ 15,014
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 12,537	$ 11,075
Cash paid for income taxes	40,513	23,108
Supplemental schedule of non-cash investing and financing activities:		
Fixed assets acquired through capital lease	1,189	2,779

See accompanying notes to condensed consolidated financial statements

ENCORE CAPITAL GROUP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1: Ownership, Description of Business and Summary of Significant Accounting Policies

Encore Capital Group, Inc. ("Encore"), through its subsidiaries (collectively, the "Company"), is a leading provider of debt management and recovery solutions for consumers and property owners across a broad range of financial assets. The Company purchases portfolios of defaulted consumer receivables at deep discounts to face value and manages them by working with individuals as they repay their obligations and work toward financial recovery. Defaulted receivables are consumers' unpaid financial commitments to credit originators, including banks, credit unions, consumer finance companies, commercial retailers, and telecommunication companies. Defaulted receivables may also include receivables subject to bankruptcy proceedings. In addition, through Encore's subsidiary, Propel Financial Services, LLC ("Propel"), the Company assists Texas property owners who are delinquent on their property taxes by paying these taxes on behalf of the property owners in exchange for payment agreements collateralized by the existing tax liens on the property, and acquires tax lien certificates directly from taxing authorities outside of Texas.

Portfolio purchasing and recovery

The Company purchases receivables based on robust, account-level valuation methods and employs a suite of proprietary statistical and behavioral models across the full extent of its operations. These investments allow the Company to value portfolios accurately (and limit the risk of overpaying), avoid buying portfolios that are incompatible with its methods or goals and precisely align the accounts it purchases with its operational channels to maximize future collections. As a result, the Company has been able to realize significant returns from the receivables it acquires. The Company maintains strong relationships with many of the largest credit and telecommunication providers in the United States, and possesses one of the industry's best collection staff retention rates.

The Company uses insights discovered during its purchasing process to build account collection strategies. The Company's proprietary consumer-level collectability analysis is the primary determinant of whether an account will be actively serviced post-purchase. The Company continuously refines this analysis to determine the most effective collection strategy to pursue for each account it owns. After the Company's preliminary analysis, it seeks to collect on only a fraction of the accounts it purchases, through one or more of its collection channels. The channel identification process is analogous to a funneling system, where the Company first differentiates those consumers who it believes are not able to pay from those who are able to pay. Consumers who the Company believes are financially incapable of making any payments, facing extenuating circumstances or hardships (such as medical issues), serving in the military, or currently receiving social security as their only source of income are excluded from the next step of its collection process and are designated as inactive. The remaining pool of accounts in the funnel then receives further evaluation. At that point, the Company analyzes and determines a consumer's perceived willingness to pay. Based on that analysis, the Company will pursue collections through letters and/or phone calls to its consumers. Despite its efforts to reach consumers and work out a settlement option, only a small number of consumers who are contacted choose to engage with the Company. Those who do are often offered deep discounts on their obligations, or are presented with payment plans that are better suited to meet their daily cash flow needs. The majority of contacted consumers, however, ignore both the Company's calls and letters, and therefore the Company must then make the difficult decision whether or not to pursue collections through legal means.

Tax Lien Business

Propel's principal activities are the acquisition and servicing of residential and commercial tax liens secured by a lien on the underlying real property. This lien takes priority over most other liens. By funding tax liens, Propel provides state and local taxing authorities and governments with much needed tax revenue. To the extent permitted by local law, Propel works with property owners to structure affordable payment plans designed to allow them to keep their property while paying their tax obligation over time. Propel maintains a foreclosure rate of less than one-half of one percent.

Propel's receivables secured by property tax liens include tax lien transfers ("TLTs") and tax lien certificates ("TLCs"). With TLTs, property owners choose to transfer their tax liens to Propel in order to pay their tax lien obligations over time and at a lower interest rate than is being assessed by the tax authority. TLTs provide property owners with repayment plans that are both affordable and flexible when compared with other payment options. Propel also purchases TLCs directly from taxing authorities, securing rights to future property tax payments, interest and penalties. In most cases, TLCs continue to be serviced by the taxing authority. When the taxing authority is paid, it repays the Company the outstanding balance of the lien plus interest, which is negotiated at the time of the purchase.

Financial Statement Preparation and Presentation

The accompanying interim condensed consolidated financial statements have been prepared by Encore, without audit, in accordance with the instructions to the Quarterly Report on Form 10-Q, and Rule 10-01 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission (the "SEC") and, therefore, do not include all information and footnotes necessary for a fair presentation of its consolidated financial position, results of operations and cash flows in accordance with accounting principles generally accepted in the United States.

In the opinion of management, the unaudited financial information for the interim periods presented reflects all adjustments, consisting of only normal and recurring adjustments, necessary for a fair presentation of the Company's consolidated financial position, results of operations, and cash flows. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012. Operating results for interim periods are not necessarily indicative of operating results for an entire fiscal year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in the Company's financial statements and the accompanying notes. Actual results could materially differ from those estimates.

Basis of Consolidation

Encore is a Delaware holding company whose principal assets are its investments in various wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

On July 1, 2013, the Company completed its acquisition (the "Cabot Acquisition") of 50.1% of the equity interest in Janus Holdings Luxembourg S.a.r.l. ("Janus Holdings"), the indirect holding company of U.K. and Ireland based Cabot Credit Management Limited ("Cabot"), from an affiliate of J.C. Flowers & Co. LLC ("J.C. Flowers"). Through its acquisition of Janus Holdings the Company's equity ownership of Cabot currently amounts to 41.7%, after reflecting the ownership of Cabot's management team. Encore's equity interest will automatically increase to approximately 42.8% by June 2014, following the redemption or conversion of certain Bridge Preferred Equity Certificates. The Company holds a controlling interest in Janus Holdings and will consolidate the financial results and financial position of the consolidated group. The Company's condensed consolidated statements of comprehensive income for the three and six months ended June 30, 2013 do not include the results of operations of Janus Holdings, because the Cabot Acquisition was not completed until July 1, 2013. For additional information relating to the Cabot Acquisition, please refer to the Company's Current Report on Form 8-K filed with the SEC on May 30, 2013 and July 8, 2013.

On June 13, 2013, the Company completed its merger (the "AACC Merger") with Asset Acceptance Capital Corp. ("AACC"). The condensed consolidated statements of comprehensive income for the three and six months ended June 30, 2013 include the results of operations of AACC only since the closing date of the AACC Merger. For additional information relating to the AACC Merger, please refer to the Company's Current Reports on Form 8-K filed with the SEC on March 6, 2013 and June 17, 2013.

On May 8, 2012, the Company completed its acquisition of Propel, BNC Retax, LLC, RioProp Ventures, LLC, and certain related affiliates (collectively, the "Propel Entities"). The condensed consolidated statements of comprehensive income for the three and six months ended June 30, 2012 include the results of operations of Propel only since the closing date of the acquisition. For additional acquisition related information relating to the Propel Entities, please refer to the Company's Current Report on Form 8-K filed with the SEC on July 24, 2012.

Reclassifications

Certain immaterial amounts in the 2012 consolidated financial statements have been reclassified to conform to the 2013 presentation.

Note 2: Discontinued Operations

On May 16, 2012, the Company completed the sale of substantially all of the assets and certain of the liabilities of its bankruptcy servicing subsidiary, Ascension Capital Group, Inc. ("Ascension"), to a subsidiary of American InfoSource, L.P. ("AIS"). As part of the sale, the Company agreed to fund certain agreed-upon operating losses in the first year of AIS' ownership of the Ascension business, not to exceed $4.0 million. If the Ascension business becomes profitable under AIS' ownership, the Company will be paid an earn-out equal to 40% of Ascension's EBITDA for the first five years commencing May 16, 2012. The Company received no proceeds from the sale and recognized the entire $4.0 million loss contingency during the second quarter of 2012. Additionally, the Company did not receive any earn-out from AIS during the first year subsequent to the sale.

The Company performed an interim goodwill impairment test for Ascension as of March 31, 2012 and concluded that the entire goodwill balance relating to Ascension of $9.9 million was impaired. Additionally, the Company wrote-off the remaining identifiable intangible assets of approximately $0.4 million relating to Ascension as of March 31, 2012.

Ascension's operations are presented as discontinued operations for the three and six months ended June 30, 2012, in the Company's condensed consolidated statements of comprehensive income. The following table presents the revenue and components of discontinued operations, net of tax (*in thousands*):

	Three Months Ended June 30, 2012	Six Months Ended June 30, 2012
Revenue	$ 1,892	$ 5,704
Loss from discontinued operations before income taxes	$ (924)	$(11,942)
Income tax benefit	362	4,678
Loss from discontinued operations	(562)	(7,264)
Loss on sale of discontinued operations, before income taxes	(2,416)	(2,416)
Income tax benefit	586	586
Loss on sale of discontinued operations	(1,830)	(1,830)
Total loss from discontinued operations	$ (2,392)	$ (9,094)

Note 3: Business Combinations

Cabot Acquisition

On July 1, 2013, the Company completed its acquisition of 50.1% of the equity interest in Janus Holdings, the indirect holding company of Cabot, from J.C. Flowers. See Note 17 "Subsequent Events" for information regarding the Cabot Acquisition.

AACC Merger

On June 13, 2013, the Company completed the merger with AACC, another leading provider of debt management and recovery solutions in the United States. The purchase price consisted of $150.8 million in cash consideration and 1.7 million shares of Encore common stock valued at $37.30 per share. In addition, the Company paid off approximately $165.7 million of AACC debt on the closing date of the AACC Merger.

The AACC Merger was accounted for using the acquisition method of accounting and, accordingly, the tangible and intangible assets acquired and liabilities assumed were recorded at their estimated fair values as of the date of the merger. Fair value measurements have been applied based on assumptions that market participants would use in the pricing of the respective assets and liabilities. As of the date of this Quarterly Report on Form 10-Q, the Company is still finalizing the allocation of the purchase price. The initial purchase price allocation presented below was based on the preliminary assessment of assets acquired and liabilities assumed, which is subject to change based on the final valuation study that is expected to be completed in 2013.

The components of the preliminary purchase price allocation for the AACC Merger are as follows (*in thousands*):

Purchase price:	
Cash paid at acquisition	$ 316,485
Stock consideration	62,352
Total purchase price	$ 378,837
Allocation of purchase price:	
Cash	$ 23,156
Investment in receivable portfolios	381,233
Deferred court costs	6,141
Property plant and equipment	11,003
Other assets	16,004
Liabilities assumed	(128,541)
Identifiable intangible assets	1,490
Goodwill	68,351
Total net assets acquired	$ 378,837

The entire goodwill of $68.4 million related to AACC was assigned to the Company's portfolio purchasing reporting unit and is not deductible for income tax purposes. The goodwill recognized is primarily attributable to expected synergies when combining AACC with the Company.

The amount of revenue and net income included in the Company's condensed consolidated statement of comprehensive income for the three months ended June 30, 2013 related to AACC was $10.0 million and $0.9 million, respectively.

The following summary presents unaudited pro forma consolidated results of operations for the three and six months ended June 30, 2013 and 2012 as if the AACC Merger had occurred on January 1, 2012. The following unaudited pro forma financial information does not necessarily reflect the actual results that would have occurred had the Company and AACC been combined during the periods presented, nor is it necessarily indicative of the future results of operations of the combined companies (*in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Consolidated pro forma revenue	$194,764	$196,474	$390,052	$381,443
Consolidated pro forma income from continuing operations	14,733	22,644	35,996	46,514

Note 4: Earnings per Share

Basic earnings per share is calculated by dividing net earnings available to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is calculated on the basis of the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding stock options, restricted stock, and the dilutive effect of the convertible senior notes.

The components of basic and diluted earnings per share are as follows *(in thousands, except earnings per share)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Income from continuing operations	$ 11,012	$ 18,988	$ 30,460	$ 37,096
Loss from discontinued operations, net of tax	—	(2,392)	—	(9,094)
Net income available for common stockholders	$ 11,012	$ 16,596	$ 30,460	$ 28,002
Weighted average common shares outstanding – basic	23,966	24,919	23,707	24,850
Dilutive effect of stock-based awards	849	906	945	972
Dilutive effect of convertible senior notes	40	—	—	—
Weighted average common shares outstanding – diluted	24,855	25,825	24,652	25,822
Basic earnings (loss) per share from:				
Continuing operations	$ 0.46	$ 0.76	$ 1.28	$ 1.49
Discontinued operations	$ —	$ (0.09)	$ —	$ (0.36)
Net basic earnings per share	$ 0.46	$ 0.67	$ 1.28	$ 1.13
Diluted earnings (loss) per share from:				
Continuing operations	$ 0.44	$ 0.74	$ 1.24	$ 1.44
Discontinued operations	$ —	$ (0.10)	$ —	$ (0.36)
Net diluted earnings per share	$ 0.44	$ 0.64	$ 1.24	$ 1.08

No anti-dilutive employee stock options were outstanding during the three and six months ended June 30, 2013. Employee stock options to purchase approximately 391,900 and 300,400 shares of common stock during the three and six months ended June 30, 2012, respectively, were outstanding but not included in the computation of diluted earnings per share because the effect on diluted earnings per share would be anti-dilutive.

The dilutive effect of the Company's convertible senior notes was approximately 40,000 shares for the three months ended June 30, 2013. The effect of the convertible senior notes was anti-dilutive for the six months ended June 30, 2013. See Note 11 "Debt" for additional details.

Warrants to purchase approximately 3.6 million shares of the Company's common stock were outstanding at June 30, 2013 but were not included in the computation of diluted earnings per share because the warrants' exercise price of $44.1875 was greater than the average share price of the Company's common stock during the three and six months ended June 30, 2013; therefore, the effect of the warrants was anti-dilutive for those periods.

Note 5: Fair Value Measurements

The authoritative guidance for fair value measurements defines fair value as the price that would be received upon sale of an asset or the price paid to transfer a liability, in an orderly transaction between market participants at the measurement date (*i.e.,* the "exit price"). The guidance utilizes a fair value hierarchy that prioritizes the inputs used in valuation techniques to measure fair value into three broad levels. The following is a brief description of each level:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs, including inputs that reflect the reporting entity's own assumptions.

Financial instruments required to be carried at fair value

Financial assets and liabilities measured at fair value on a recurring basis are summarized below (*in thousands*):

	Fair Value Measurements as of June 30, 2013			
	Level 1	Level 2	Level 3	Total
Liabilities				
Interest rate swap agreements	$ —	$ (271)	$ —	$ (271)
Foreign currency exchange contracts	—	(4,056)	—	(4,056)

	Fair Value Measurements as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Liabilities				
Interest rate swap agreements	$ —	$ (645)	$ —	$ (645)
Foreign currency exchange contracts	—	(2,010)	—	(2,010)

Fair values of derivative instruments included in Level 2 are estimated using industry standard valuation models. These models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rate curves, foreign currency exchange rates, and forward and spot prices for currencies.

Financial instruments not required to be carried at fair value

The Company records its investment in receivable portfolios at cost, which represents a significant discount from the contractual receivable balances due. The Company computes the fair value of its investment in receivable portfolios by discounting the estimated future cash flows, generated by its proprietary forecasting models, using an estimated market participant cost to collect of approximately 48.0% and discount rate of approximately 12.0%. Using this method, the fair value of investment in receivable portfolios approximates book value as of June 30, 2013 and December 31, 2012, respectively. A 100 basis point fluctuation in the cost to collect and discount rate used would result in an increase or decrease in the fair value by approximately $21.6 million and $20.7 million, respectively, as of June 30, 2013. This fair value calculation does not represent, and should not be construed to represent, the underlying value of the Company or the amount which could be realized if its investment in receivable portfolios were sold. The carrying value of the investment in receivable portfolios was $1.1 billion and $873.1 million as of June 30, 2013 and December 31, 2012, respectively.

The Company capitalizes deferred court costs and provides a reserve for those costs that it believes will ultimately be uncollectible. The carrying value of net deferred court costs approximates fair value.

The fair value of receivables secured by property tax liens is estimated as follows: for tax lien transfer receivables, the fair value is estimated by discounting the future cash flows of the portfolio using a discount rate equivalent to the current rate at which similar portfolios would be originated and; for tax lien certificates receivables, the fair value is estimated by discounting the expected future cash flows of the portfolio using a discount rate equivalent to the interest rate expected when acquiring these certificates. The carrying value of receivables secured by property tax liens approximates fair value. Additionally, the carrying value of interest receivable approximates fair value.

The Company's senior secured notes and borrowings under its revolving credit and term loan facilities are carried at historical costs, adjusted for additional borrowings less principal repayments, which approximate fair value.

The Company's convertible senior notes are carried at historical cost, adjusted for debt discount. The carrying value of the convertible senior notes was $265.0 million, net of debt discount of $41.2 million, and $115.0 million, net of debt discount of $14.4 million as of June 30, 2013 and December 31, 2012, respectively. The fair value estimate for these convertible senior notes incorporates quoted market prices, which was approximately $286.1 million and $128.3 million as of June 30, 2013 and December 31, 2012, respectively.

Note 6: Derivatives and Hedging Instruments

The Company uses derivative instruments to manage risks related to interest rates and foreign currency. The Company's outstanding interest rate swap contracts and foreign currency exchange contracts qualify for hedge accounting treatment under the authoritative guidance for derivatives and hedging.

Interest Rate Swaps

The Company may periodically enter into derivative financial instruments, typically interest rate swap agreements, to reduce its exposure to fluctuations in interest rates on variable interest rate debt and their impact on earnings and cash flows. As of June 30, 2013, the Company had three interest rate swap agreements outstanding with a total notional amount of $75.0 million. Under the swap agreements, the Company receives floating interest rate payments based on one-month reserve-adjusted LIBOR and makes interest payments based on fixed interest rates. The Company intends to continue electing the one-month reserve-adjusted LIBOR as the benchmark interest rate on the debt being hedged through its term. No credit spread was hedged. The Company designates its interest rate swap instruments as cash flow hedges.

The authoritative accounting guidance requires companies to recognize derivative instruments as either an asset or liability measured at fair value in the statement of financial position. The effective portion of the change in fair value of the derivative instrument is recorded in other comprehensive income ("OCI"). The ineffective portion of the change in fair value of the derivative instrument, if any, is recognized in interest expense in the period of change. From the inception of the hedging program, the Company has determined that the hedging instruments are highly effective.

Foreign Currency Exchange Contracts

The Company has operations in India, which exposes the Company to foreign currency exchange rate fluctuations due to transactions denominated in Indian rupees, such as employee salaries and rent expenditures. To mitigate this risk, the Company enters into derivative financial instruments, principally forward contracts, which are designated as cash flow hedges, to mitigate fluctuations in the cash payments of future forecasted transactions in Indian rupees for up to 36 months. The Company adjusts the level and use of derivatives as soon as practicable after learning that an exposure has changed, and the Company reviews all exposures and derivative positions on an ongoing basis.

Gains and losses on cash flow hedges are recorded in OCI until the hedged transaction is recorded in the consolidated financial statements. Once the underlying transaction is recorded in the consolidated financial statements, the Company reclassifies the OCI on the derivative into earnings. If all or a portion of the forecasted transaction was cancelled, this would render all or a portion of the cash flow hedge ineffective and the Company would reclassify the ineffective portion of the hedge into earnings. The Company generally does not experience ineffectiveness of the hedge relationship and the accompanying consolidated financial statements do not include any such gains or losses.

As of June 30, 2013, the total notional amount of the forward contracts to buy Indian rupees in exchange for U.S. dollars was $46.4 million. All outstanding contracts qualified for hedge accounting treatment as of June 30, 2013. The Company estimates that approximately $1.9 million of net derivative loss included in OCI will be reclassified into earnings within the next 12 months. No gains or losses were reclassified from OCI into earnings as a result of forecasted transactions that failed to occur during the three and six months ended June 30, 2013 and 2012.

The Company may periodically enter into other foreign currency exchange contracts to mitigate its risk that cash flows and earnings will be adversely affected by foreign currency exchange rate fluctuations. In anticipation of the Cabot Acquisition, as discussed in Note 17, "Subsequent Events," on June 7, 2013, the Company entered into a European style zero-cost collar foreign exchange contract with a notional amount of £132.1 million (approximately $206.0 million), which was equal to the anticipated purchase price for the Cabot Acquisition. The collar was set to expire on August 13, 2013, which was the anticipated date of closing of the Cabot Acquisition. The collar was used to offset the risk of changes in the foreign exchange rate relating to the purchase price for the Company's interest in Janus Holdings. The Company did not apply hedge accounting on this foreign exchange contract. Due to the early closing of the Cabot Acquisition, the foreign exchange contract was terminated on June 28, 2013 at a loss of $3.6 million, which was recorded as other expenses in the Company's condensed consolidated statements of income for the three and six months ended June 30, 2013. This foreign exchange loss was offset by a decrease in the estimated purchase price of approximately $4.3 million during the same period of time.

The Company does not enter into derivative instruments for trading or speculative purposes.

The following table summarizes the fair value of derivative instruments as recorded in the Company's condensed consolidated statements of financial condition *(in thousands):*

	June 30, 2013		December 31, 2012	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Interest rate swaps	Other liabilities	$ (271)	Other liabilities	$ (645)
Foreign currency exchange contracts	Other liabilities	(4,056)	Other liabilities	(2,010)

The following tables summarize the effects of derivatives in cash flow hedging relationships in the Company's statements of comprehensive income during the periods presented *(in thousands):*

	Gain or (Loss) Recognized in OCI-Effective Portion		Location of Gain or (Loss) Reclassified from OCI into Income - Effective Portion	Gain or (Loss) Reclassified from OCI into Income - Effective Portion		Location of Gain or (Loss) Recognized - Ineffective Portion and Amount Excluded from Effectiveness Testing	Amount of Gain or (Loss) Recognized - Ineffective Portion and Amount Excluded from Effectiveness Testing	
	Three Months Ended June 30,			Three Months Ended June 30,			Three Months Ended June 30,	
	2013	2012		2013	2012		2013	2012
Interest rate swaps	$ 151	$ 140	Interest expense	$ —	$ —	Other (expense) income	$ —	$ —
Foreign currency exchange contracts	(2,540)	(3,120)	Salaries and employee benefits	(219)	(442)	Other (expense) income	—	—
Foreign currency exchange contracts	(531)	(510)	General and administrative expenses	(44)	(78)	Other (expense) income	—	—

	Gain or (Loss) Recognized in OCI-Effective Portion		Location of Gain or (Loss) Reclassified from OCI into Income - Effective Portion	Gain or (Loss) Reclassified from OCI into Income - Effective Portion		Location of Gain or (Loss) Recognized - Ineffective Portion and Amount Excluded from Effectiveness Testing	Amount of Gain or (Loss) Recognized - Ineffective Portion and Amount Excluded from Effectiveness Testing	
	Six Months Ended June 30,			Six Months Ended June 30,			Six Months Ended June 30,	
	2013	2012		2013	2012		2013	2012
Interest rate swaps	$ 374	$ (71)	Interest expense	$ —	$ —	Other (expense) income	$ —	$ —
Foreign currency exchange contracts	(1,938)	(2,200)	Salaries and employee benefits	(268)	(557)	Other (expense) income	—	—
Foreign currency exchange contracts	(428)	(204)	General and administrative expenses	(52)	(95)	Other (expense) income	—	—

Note 7: Investment in Receivable Portfolios, Net

In accordance with the authoritative guidance for loans and debt securities acquired with deteriorated credit quality, discrete receivable portfolio purchases during a quarter are aggregated into pools based on common risk characteristics. Once a static pool is established, the portfolios are permanently assigned to the pool. The discount (*i.e.*, the difference between the cost of each static pool and the related aggregate contractual receivable balance) is not recorded because the Company expects to collect a relatively small percentage of each static pool's contractual receivable balance. As a result, receivable portfolios are recorded at cost at the time of acquisition. The purchase cost of the portfolios includes certain fees paid to third parties incurred in connection with the direct acquisition of the receivable portfolios.

In compliance with the authoritative guidance, the Company accounts for its investments in consumer receivable portfolios using either the interest method or the cost recovery method. The interest method applies an internal rate of return ("IRR") to the cost

basis of the pool, which remains unchanged throughout the life of the pool, unless there is an increase in subsequent expected cash flows. Subsequent increases in expected cash flows are generally recognized prospectively through an upward adjustment of the pool's IRR over its remaining life. Subsequent decreases in expected cash flows do not change the IRR, but are recognized as an allowance to the cost basis of the pool, and are reflected in the consolidated statements of comprehensive income as a reduction in revenue, with a corresponding valuation allowance, offsetting the investment in receivable portfolios in the consolidated statements of financial condition.

The Company utilizes its proprietary forecasting models to continuously evaluate the economic life of each pool. The collection forecast of each pool is generally estimated to be between 84 to 96 months based on the expected collection period of each pool. The Company often experiences collections beyond the 84 to 96 month collection forecast. As of June 30, 2013, the total estimated remaining collections beyond the 84 to 96 month collection forecast, which are not included in the calculation of the Company's IRRs, were $147.1 million.

The Company accounts for each static pool as a unit for the economic life of the pool (similar to one loan) for recognition of revenue from receivable portfolios, for collections applied to the cost basis of receivable portfolios, and for provision for loss or allowance. Revenue from receivable portfolios is accrued based on each pool's IRR applied to each pool's adjusted cost basis. The cost basis of each pool is increased by revenue earned and decreased by gross collections and portfolio allowances.

If the amount and timing of future cash collections on a pool of receivables are not reasonably estimable, the Company accounts for such portfolios on the cost recovery method as Cost Recovery Portfolios. The accounts in these portfolios have different risk characteristics than those included in other portfolios acquired during the same quarter, or the necessary information was not available to estimate future cash flows and, accordingly, they were not aggregated with other portfolios. Under the cost recovery method of accounting, no income is recognized until the purchase price of a Cost Recovery Portfolio has been fully recovered.

Accretable yield represents the amount of revenue the Company expects to generate over the remaining life of its existing investment in receivable portfolios based on estimated future cash flows. Total accretable yield is the difference between future estimated collections and the current carrying value of a portfolio. All estimated cash flows on portfolios where the cost basis has been fully recovered are classified as zero basis cash flows.

The following table summarizes the Company's accretable yield and an estimate of zero basis future cash flows at the beginning and end of the period presented *(in thousands)*:

	Accretable Yield	Estimate of Zero Basis Cash Flows	Total
Balance at December 31, 2012	$ 984,944	$ 17,366	$ 1,002,310
Revenue recognized, net	(135,072)	(5,611)	(140,683)
Net additions to existing portfolios[1]	173,634	7,061	180,695
Additions for current purchases[1]	66,808	—	66,808
Balance at March 31, 2013	$ 1,090,314	$ 18,816	$ 1,109,130
Revenue recognized, net	(144,186)	(7,838)	(152,024)
Net additions to existing portfolios[1]	30,458	10,784	41,242
Additions for current purchases[1, 2]	645,865	—	645,865
Balance at June 30, 2013	$ 1,622,451	$ 21,762	$ 1,644,213

	Accretable Yield	Estimate of Zero Basis Cash Flows	Total
Balance at December 31, 2011	$ 821,527	$ 32,676	$ 854,203
Revenue recognized, net	(119,340)	(7,065)	(126,405)
Net additions to existing portfolios[1]	131,039	3,608	134,647
Additions for current purchases[1]	119,533	—	119,533
Balance at March 31, 2012	$ 952,759	$ 29,219	$ 981,978
Revenue recognized, net	(131,624)	(7,107)	(138,731)
Net additions to existing portfolios[1]	77,473	13,738	91,211
Additions for current purchases[1]	178,332	—	178,332
Balance at June 30, 2012	$ 1,076,940	$ 35,850	$ 1,112,790

(1) Estimated remaining collections and accretable yield include anticipated collections beyond the 84 to 96 month collection forecast.
(2) Includes $381.2 million of portfolios acquired in connection with the AACC Merger discussed in Note 3 "Business Combinations."

During the three months ended June 30, 2013, the Company purchased receivable portfolios with a face value of $68.9 billion for $423.1 million, or a purchase cost of 0.6% of face value. Included in this amount is the purchase of investment receivables related to AACC of $381.2 million with a face value of $68.2 billion or a purchase cost of 0.6% of face value. Excluding the AACC receivables, the Company purchased receivable portfolios during the quarter with a face value of $0.7 billion for $41.9 million, or a purchase cost of 5.8% of face value. The lower purchase rate for the AACC portfolio is due to the Company's purchase of AACC which included all portfolios owned, including accounts that have no value. No value accounts would typically not be included in a portfolio purchase transaction, as the sellers would remove them from the sale file. The estimated future collections at acquisition for all portfolios purchased during the quarter amounted to $1.0 billion.

During the six months ended June 30, 2013, the Company purchased receivable portfolios with a face value of $70.5 billion for $481.9 million, or a purchase cost of 0.7% of face value. Included in this amount is the purchase of investment receivables related to AACC of $381.2 million with a face value of $68.2 billion, or a purchase cost of 0.6% of face value. Excluding the AACC purchase, the Company purchased receivable portfolios during the six months ended June 30, 2013, with a face value of $2.3 billion for $100.7 million, or a purchase cost of 4.4% of face value. The lower purchase rate for the AACC portfolio is due to the Company's purchase of AACC which included all portfolios owned, including accounts that have no value. No value accounts would typically not be included in a portfolio purchase transaction, as the sellers would remove them from the sale file. The estimated future collections at acquisition for all portfolios purchased during the six months ended June 30, 2013, amounted to $1.1 billion.

During the three months ended June 30, 2012, the Company purchased receivable portfolios with a face value of $6.0 billion for $231.0 million, or a purchase cost of 3.8% of face value. The estimated future collections at acquisition for these portfolios amounted to $407.4 million. During the six months ended June 30, 2012, the Company purchased receivable portfolios with a face value of $8.9 billion for $361.4 million, or a purchase cost of 4.0% of face value. The estimated future collections at acquisition for these portfolios amounted to $643.6 million.

All collections realized after the net book value of a portfolio has been fully recovered ("Zero Basis Portfolios") are recorded as revenue ("Zero Basis Revenue"). During the three months ended June 30, 2013 and 2012, Zero Basis Revenue was approximately $4.7 million and $6.1 million, respectively. During the six months ended June 30, 2013 and 2012, Zero Basis Revenue was approximately $9.4 million and $12.2 million, respectively.

The following tables summarize the changes in the balance of the investment in receivable portfolios during the following periods (*in thousands, except percentages*):

	Three Months Ended June 30, 2013			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 801,525	$ —	$ —	$ 801,525
Purchases of receivable portfolios[1]	423,113	—	—	423,113
Transfer of portfolios	(6,649)	6,649	—	—
Gross collections[2]	(269,710)	(842)	(7,836)	(278,388)
Put-backs and recalls	(1,543)	(31)	(2)	(1,576)
Revenue recognized	143,607	—	4,743	148,350
Portfolio allowances reversals, net	579	—	3,095	3,674
Balance, end of period	$ 1,090,922	$ 5,776	$ —	$ 1,096,698
Revenue as a percentage of collections[3]	53.2%	0.0%	60.5%	53.3%

	Three Months Ended June 30, 2012			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 741,580	$ —	$ —	$ 741,580
Purchases of receivable portfolios[1]	230,983	—	—	230,983
Gross collections[2]	(233,437)	—	(7,107)	(240,544)
Put-backs and recalls	(891)	—	—	(891)
Revenue recognized	131,443	—	6,126	137,569
Portfolio allowances reversals, net	181	—	981	1,162
Balance, end of period	$ 869,859	$ —	$ —	$ 869,859
Revenue as a percentage of collections[3]	56.3%	0.0%	86.2%	57.2%

	Six Months Ended June 30, 2013			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 873,119	$ —	$ —	$ 873,119
Purchases of receivable portfolios[1]	481,884	—	—	481,884
Transfer of portfolios	(6,649)	6,649	—	—
Gross collections[2]	(534,269)	(842)	(13,447)	(548,558)
Put-backs and recalls	(2,421)	(31)	(2)	(2,454)
Revenue recognized	278,622	—	9,405	288,027
Portfolio allowances reversals, net	636	—	4,044	4,680
Balance, end of period	$ 1,090,922	$ 5,776	$ —	$ 1,096,698
Revenue as a percentage of collections[3]	52.2%	0.0%	69.9%	52.5%

	Six Months Ended June 30, 2012			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 716,454	$ —	$ —	$ 716,454
Purchases of receivable portfolios[1]	361,446	—	—	361,446
Gross collections[2]	(457,380)	—	(14,172)	(471,552)
Put-backs and recalls	(1,625)	—	—	(1,625)
Revenue recognized	252,189	—	12,158	264,347
(Portfolio allowances) portfolio allowance reversals, net	(1,225)	—	2,014	789
Balance, end of period	$ 869,859	$ —	$ —	$ 869,859
Revenue as a percentage of collections[3]	55.1%	0.0%	85.8%	56.1%

(1) Purchases of portfolio receivables for the three and six month periods ended June 30, 2013 include $381.2 million acquired in connection with the AACC Merger discussed in Note 3 "Business Combinations."
(2) Does not include amounts collected on behalf of others.
(3) Revenue as a percentage of collections excludes the effects of net portfolio allowances or net portfolio allowance reversals.

The following table summarizes the change in the valuation allowance for investment in receivable portfolios during the periods presented (*in thousands*):

	Valuation Allowance			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Balance at beginning of period	$104,267	$109,867	$105,273	$109,494
Provision for portfolio allowances	—	2,116	479	3,875
Reversal of prior allowances	(3,674)	(3,278)	(5,159)	(4,664)
Balance at end of period	$100,593	$108,705	$100,593	$108,705

The Company currently utilizes various business channels for the collection of its receivables. The following table summarizes the total collections by collection channel *(in thousands)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Legal collections	$133,682	$114,876	$255,955	$224,448
Collection sites	116,853	111,641	243,415	221,511
Collection agencies [1]	27,853	14,043	49,188	25,629
	$278,388	$240,560	$548,558	$471,588

(1) Collections through our collection agency channel include accounts subject to bankruptcy filings collected by others.

Note 8: Receivables Secured by Property Tax Liens, Net

The Company's receivables secured by property tax liens include TLTs and TLCs. Repayment of the tax liens is generally dependent on the property owner but can also come through payments from other lien holders or foreclosure on the properties. The Company evaluates the entire portfolio of tax liens for impairment. The primary factor the Company uses to evaluate each receivable is the lien to value ratio, which is typically less than 15% and rarely exceeds 25%. The Company has not experienced any losses on receivables secured by property tax liens in its portfolio. In addition, management believes, based on the fact that the tax liens that collateralize the TLTs and TLCs are in a priority position over most other liens on the properties, that it will not experience any material losses on the ultimate collection of these receivables. Therefore, no allowance has been provided for as of June 30, 2013.

The following table presents the Company's aging analysis of receivables secured by tax liens as of June 30, 2013 and December 31, 2012 *(in thousands):*

	June 30, 2013	December 31, 2012
Current	$ 123,196	$ 101,052
31-60 days past due	10,238	10,175
61-90 days past due	4,956	1,982
> 90 days past due	20,673	21,891
Tax lien transfer	159,063	135,100
Tax lien certificates	39,002	—
	$ 198,065	$ 135,100

Note 9: Deferred Court Costs, Net

The Company contracts with a nationwide network of attorneys that specialize in collection matters. The Company generally refers charged-off accounts to its contracted attorneys when it believes the related consumer has sufficient assets to repay the indebtedness and has, to date, been unwilling to pay. In connection with the Company's agreement with the contracted attorneys, it advances certain out-of-pocket court costs ("Deferred Court Costs"). The Company capitalizes Deferred Court Costs in its consolidated financial statements and provides a reserve for those costs that it believes will ultimately be uncollectible. The Company determines the reserve based on its analysis of court costs that have been advanced and those that have been recovered. Historically, the Company wrote off Deferred Court Costs not recovered within three years of placement. However, as a result of a history of court cost recoveries beyond three years, the Company has determined that court costs are recovered over a longer period of time. As a result, on a prospective basis, the Company began increasing its deferral period from three years to five years in January 2013. Collections received from these debtors are first applied against related court costs with the balance applied to the debtors' account.

Deferred Court Costs consist of the following as of the dates presented (*in thousands*):

	June 30, 2013	December 31, 2012
Court costs advanced	$ 334,760	$ 279,314
Court costs recovered	(118,610)	(94,827)
Court costs reserve	(176,094)	(149,080)
	$ 40,056	$ 35,407

A roll forward of the Company's court cost reserve is as follows (*in thousands*):

	Court Cost Reserve			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Balance at beginning of period	$(162,500)	$(129,287)	$(149,080)	$(130,454)
Provision for court costs	(13,594)	(12,789)	(27,014)	(25,133)
Write-off of reserve after the deferral period	—	9,296	—	22,807
Balance at end of period	$(176,094)	$(132,780)	$(176,094)	$(132,780)

Note 10: Other Assets

Other assets consist of the following (*in thousands*):

	June 30, 2013	December 31, 2012
Debt issuance costs, net of amortization	$ 24,816	$ 14,397
Prepaid income taxes	21,699	—
Service fee receivable	13,896	—
Prepaid expenses	12,486	6,399
Interest receivable	6,597	4,042
Identifiable intangible assets, net	3,834	487
Security deposit—India building leases	2,696	1,696
Recoverable legal fees	2,223	1,521
Other	3,634	2,993
	$ 91,881	$ 31,535

Note 11: Debt

The Company is obligated under borrowings, as follows *(in thousands)*:

	June 30, 2013	December 31, 2012
Revolving credit facility	$ 446,000	$ 258,000
Term loan facility	194,875	148,125
Propel TLT facility	132,042	117,601
Propel TLC facility	36,699	—
Senior secured notes	66,250	72,500
Convertible notes	265,000	115,000
Less: Debt discount	(41,233)	(14,442)
Capital lease obligations	8,026	9,252
	$ 1,107,659	$ 706,036

Revolving Credit Facility and Term Loan Facility

The Company's Amended and Restated Credit Agreement (the "Credit Agreement") originally included a term loan facility tranche of $150.0 million and a revolving credit facility tranche of $425.0 million for a total commitment of $575.0 million (the "Credit Facility"). The maturities of both facilities are five years, expiring in November 2017, except with respect to a $50.0 million subtranche of the term loan facility, which has a three-year maturity, expiring in November 2015. The Credit Agreement includes several financial institutions and lenders and is led by an administrative agent. The Credit Agreement contained an accordion feature that allowed the Company to request an increase in the facility of up to $200.0 million by obtaining one or more commitments from existing or prospective lenders with the consent of the administrative agent. The Company exercised $20.0 million of the original $200.0 million accordion feature in December 2012, increasing the amount of the revolving credit facility from $425.0 million to $445.0 million. On May 9, 2013, the Company entered into an amendment to its Credit Facility, restating the Credit Agreement in its entirety (the "Restated Credit Agreement") and increasing the aggregate loan commitment by $217.5 million, from $595.0 million to $812.5 million, and resetting the accordion feature. The $217.5 million exercise included a $168.9 million increase to the revolving credit facility tranche, increasing the aggregate revolving loan commitment to $613.9 million, and a $48.6 million term loan facility tranche, with a six-month maturity, expiring November 2013, increasing the term loan facility tranche to $198.6 million. Currently the accordion feature would allow the Company to increase the facility by an additional $162.5 million. Including the remaining accordion feature, the maximum amount that can be borrowed under the Credit Facility is $975.0 million.

The Restated Credit Agreement also allowed for the AACC Merger, included a basket to allow for investments in unrestricted subsidiaries and increased the subordinated debt basket to $300.0 million.

On May 29, 2013, the Company entered into an amendment to the Restated Credit Agreement which, among other things, allowed the Company to consummate the Cabot Acquisition. See Note 17 "Subsequent Events" for more information on the Cabot Acquisition.

Provisions of the Restated Credit Agreement include, but are not limited to:

- A revolving loan of $613.9 million, interest at a floating rate equal to, at the Company's option, either: (1) reserve adjusted London Interbank Offered Rate ("LIBOR"), plus a spread that ranges from, depending on the Company's cash flow leverage ratio, 250 to 300 basis points; or (2) Alternate Base Rate, plus a spread that ranges from, depending on the Company's cash flow leverage ratio, 150 to 200 basis points. "Alternate Base Rate," as defined in the agreement, means the highest of (i) the per annum rate which the administrative agent publicly announces from time to time as its prime lending rate, as in effect from time to time, (ii) the federal funds effective rate from time to time, plus 0.5% and (iii) reserved adjusted LIBOR determined on a daily basis for a one month interest period, plus 1.0%;
- A $100.0 million five-year term loan, interest at a floating rate equal to, at the Company's option, either: (1) reserve adjusted LIBOR, plus a spread that ranges from 250 to 300 basis points, depending on the Company's cash flow leverage ratio; or (2) Alternate Base Rate, plus a spread that ranges from 150 to 200 basis points, depending on the Company's cash flow leverage ratio. Principal amortizes $1.3 million in 2012, $5.0 million in 2013, $5.6 million in 2014, $8.1 million in 2015, $10.0 million in 2016, and $5.0 million in 2017 with the remaining principal due at the end of the term;
- A $50.0 million three-year term loan, interest at a floating rate equal to, at the Company's option, either: (1) reserve adjusted LIBOR, plus a spread that ranges from 200 to 250 basis points, depending on the Company's cash flow leverage ratio; or (2) Alternate Base Rate, plus a spread that ranges from 100 to 150 basis points, depending on the Company's cash flow leverage ratio. Principal amortizes $0.6 million in 2012, $2.5 million in 2013, $2.8 million in 2014, $2.8 million in 2015 with the remaining principal due at the end of the term;
- A $48.6 million six-month term loan, interest at a floating rate equal to, at the Company's option, either: (1) reserve adjusted LIBOR, plus a spread that ranges from 250 to 300 basis points, depending on the Company's cash flow leverage ratio; or (2) Alternate Base Rate, plus a spread that ranges from 150 to 200 basis points, depending on the Company's cash flow leverage ratio. Principal amortizes in six equal monthly installments;
- A borrowing base equal to (1) the lesser of (i) (a) 55% of eligible estimated remaining collections for consumer receivables subject to bankruptcy proceedings, provided that the amount described in this clause (i)(a) may not exceed 35% of the amount described in clauses (i)(a) and (i)(b), plus (b) 30%—35% (depending on the Company's trailing 12-month cost per dollar collected) of all other eligible estimated remaining collections, initially set at 33%, and (ii) the product of the net book value of all receivable portfolios acquired on or after January 1, 2005 multiplied by 95%, minus (2) (x) the aggregate principal amount outstanding of the Prudential senior secured notes plus (y) the aggregate principal amount outstanding under the term loans;
- The allowance of additional unsecured indebtedness not to exceed $300.0 million;
- Restrictions and covenants, which limit the payment of dividends and the incurrence of additional indebtedness and liens, among other limitations;
- Repurchases of up to $50.0 million of Encore's common stock, subject to compliance with certain covenants and available borrowing capacity. The Company has repurchased approximately $50.0 million common stock during the fourth quarter of 2012 and in January 2013;
- A change of control definition, which excludes acquisitions of stock by Red Mountain Capital Partners LLC, JCF FPK LLP and their respective affiliates of up to 50% of the outstanding shares of Encore's voting stock;
- Events of default which, upon occurrence, may permit the lenders to terminate the facility and declare all amounts outstanding to be immediately due and payable;
- An annual capital expenditure limit of $20.0 million;
- An annual rental expense limit of $15.0 million;
- An outstanding capital lease limit of $20.0 million;
- An acquisition limit of $100.0 million; and
- Collateralization by all assets of the Company, other than the assets of the Propel Entities or any foreign or unrestricted subsidiaries.

At June 30, 2013, the outstanding balance on the Credit Facility was $640.9 million, which bore a weighted average interest rate of 3.17% and 4.11% for the six months ended June 30, 2013 and 2012, respectively.

Propel Tax Lien Transfer Facility

The Company, through Propel, has a $160.0 million syndicated loan facility (the "Propel TLT Facility"). The Propel TLT Facility was used in part to fund a portion of the Propel Acquisition and to fund future growth at Propel.

The Propel TLT Facility has a three-year term and includes the following key provisions:

- Interest at Propel's option, at either: (1) LIBOR, plus a spread that ranges from 300 to 375 basis points, depending on Propel's cash flow leverage ratio; or (2) Prime Rate, which is defined in the agreement as the rate of interest per annum equal to the sum of (a) the interest rate quoted in the "Money Rates" section of *The Wall Street Journal* from time to time and designated as the "Prime Rate" *plus* (b) the Prime Rate Margin, which is a spread that ranges from 0 to 75 basis points, depending on Propel's cash flow leverage ratio;
- A borrowing base of 90% of the face value of the tax lien collateralized payment arrangements;
- Interest payable monthly; principal and interest due at maturity;
- Restrictions and covenants, which limit, among other things, the payment of dividends and the incurrence of additional indebtedness and liens;
- Events of default which, upon occurrence, may permit the lender to terminate the Propel TLT Facility and declare all amounts outstanding to be immediately due and payable; and
- A $40.0 million accordion feature.

The Propel TLT Facility is primarily collateralized by the TLT tax liens and requires Propel to maintain various financial covenants, including a minimum interest coverage ratio and a maximum cash flow leverage ratio.

At June 30, 2013, the outstanding balance on the Propel TLT Facility was $132.0 million and, for the six months ended June 30, 2013 and 2012, bore a weighted average interest rate of 3.53% and 3.54%, respectively.

Propel Tax Lien Certificate Facility

On May 9, 2013, the Company, through subsidiaries of Propel, entered into a $100.0 million revolving credit facility (the "Propel TLC Facility"). The Propel TLC Facility is used to purchase TLCs from taxing authorities.

The Propel TLC Facility has a four-year term and includes the following key provisions:

- During the first two years of the four-year term, the committed amount can be drawn on a revolving basis. During the following two years, no additional draws are permitted, and all proceeds from the TLCs are used to repay any amounts outstanding under the facility. After the four-year period ends, if any amounts are still outstanding, an alternate interest rate applies until all amounts owed are repaid;
- Prior to the expiration of the four-year term, interest at a per annum floating rate equal to LIBOR plus a spread of 325 basis points;
- Following the expiration of the four-year term or upon the occurrence of an event of default, interest at 400 basis points plus the greater of (i) a per annum floating rate equal to LIBOR plus a spread of 325 basis points, or (ii) Prime Rate, which is defined in the agreement as the rate most recently announced by the lender at its branch in San Francisco, California, from time to time as its prime commercial rate for United States dollar-denominated loans made in the United States;
- Proceeds from the TLCs are applied to pay interest, principal and other obligations incurred in connection with the Propel TLC Facility on a monthly basis as defined in the agreement;
- Special purpose entity covenants designed to protect the bankruptcy-remoteness of the borrowers and additional restrictions and covenants, which limit, among other things, the payment of certain dividends, the occurrence of additional indebtedness and liens and use of the collections proceeds from the TLCs; and
- Events of default which, upon occurrence, may permit the lender to terminate the Propel TLC Facility and declare all amounts outstanding to be immediately due and payable.

The Propel TLC Facility is collateralized by the TLCs acquired under the Propel TLC Facility. At June 30, 2013, the outstanding balance on the Propel TLC Facility was $36.7 million and, for the three months ended June 30, 2013, bore a weighted average interest rate of 5.17%.

Senior Secured Notes

In 2010 and 2011 Encore entered into an aggregate of $75.0 million in senior secured notes with certain affiliates of Prudential Capital Group (the "Senior Secured Notes"). $25.0 million dollars of the Senior Secured Notes bear an annual interest rate of 7.375% and mature in 2018. Beginning in May 2013, these notes require a quarterly payment of interest plus $1.25 million of principal. Prior to May 2013, these notes required quarterly interest payments only. The remaining $50.0 million of Senior Secured Notes bear an

annual interest rate of 7.75%, mature in 2017 and require quarterly principal amortization payments of $2.5 million. Prior to December 2012, these notes required quarterly interest payments only. As of June 30, 2013 $66.3 million is outstanding under these obligations.

The Senior Secured Notes are guaranteed in full by certain of Encore's subsidiaries. Similar to, and *pari passu* with, the Credit Facility, the Senior Secured Notes are also collateralized by all assets of the Company, other than the assets of the Propel Entities and any foreign and unrestricted subsidiaries. The Senior Secured Notes may be accelerated and become automatically and immediately due and payable upon certain events of default, including certain events related to insolvency, bankruptcy, or liquidation. Additionally, the Senior Secured Notes may be accelerated at the election of the holder or holders of a majority in principal amount of the Senior Secured Notes upon certain events of default by Encore, including the breach of affirmative covenants regarding guarantors, collateral, most favored lender treatment or minimum revolving credit facility commitment or the breach of any negative covenant. If Encore prepays the Senior Secured Notes at any time for any reason, payment will be at the higher of par or the present value of the remaining scheduled payments of principal and interest on the portion being prepaid. The discount rate used to determine the present value is 50 basis points over the then current Treasury Rate corresponding to the remaining average life of the senior secured notes. The covenants are substantially similar to those in the Restated Credit Agreement. Prudential Capital Group and the administrative agent for the lenders of the Restated Credit Agreement have an intercreditor agreement related to their pro rata rights to the collateral, actionable default, powers and duties and remedies, among other topics. The terms of the Senior Secured Notes were amended and restated on May 9, 2013 in connection with the Restated Credit Agreement in order to properly align certain provisions between the two agreements.

Convertible Senior Notes

2012 Convertible Senior Notes

On November 27, 2012, Encore sold $100.0 million in aggregate principal amount of 3.0% convertible senior notes due November 27, 2017 in a private placement transaction. On December 6, 2012, the initial purchasers exercised, in full, their option to purchase an additional $15.0 million of the convertible senior notes, which resulted in an aggregate principal amount of $115.0 million of the convertible senior notes outstanding (collectively, the "2012 Convertible Notes"). Interest on the 2012 Convertible Notes is payable semi-annually, in arrears, on May 27 and November 27 of each year, beginning on May 27, 2013. The 2012 Convertible Notes are the Company's general unsecured obligations. The 2012 Convertible Notes will be convertible into cash up to the aggregate principal amount of the 2012 Convertible Notes to be converted and the Company will pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election, in respect of the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the 2012 Convertible Notes being converted. The 2012 Convertible Notes will be convertible at an initial conversion rate of 31.6832 shares of the Company's common stock per $1,000 principal amount of 2012 Convertible Notes, subject to adjustment upon certain events, which is equivalent to an initial conversion price of approximately $31.56 per share of the Company's common stock. As of June 30, 2013, none of the conditions allowing holders of the 2012 Convertible Notes to convert their notes had occurred.

In accordance with authoritative guidance related to derivatives and hedging and earnings per share calculation, only the conversion spread of the 2012 Convertible Notes is included in the diluted earnings per share calculation, if dilutive. Under such method, the settlement of the conversion spread has a dilutive effect when the average share price of the Company's common stock during any quarter exceeds $31.56. The average share price of the Company's common stock for the three months ended June 30, 2013 exceeded $31.56, however, the dilutive effect from the 2012 Convertible Notes was immaterial. See Note 4 "Earnings per Share" for additional information.

Concurrent with the pricing of the 2012 Convertible Notes, the Company entered into privately negotiated convertible note hedge transactions (together, the "Convertible Note Hedge Transactions") with certain counterparties. The Convertible Note Hedge Transactions, collectively cover, subject to customary anti-dilution adjustments, the number of shares of the Company's common stock underlying the 2012 Convertible Notes, as described below. Concurrently with entering into the Convertible Note Hedge Transactions, the Company also entered into separate, privately negotiated warrant transactions (together, the "Warrant Transactions") with the same counterparties, whereby the Company sold to the counterparties warrants to purchase, collectively, subject to customary anti-dilution adjustments, up to the same number of shares of the Company's common stock as in the Convertible Note Hedge Transactions. Subject to certain conditions, the Company may settle the warrants in cash or on a net-share basis.

The Convertible Note Hedge Transactions are expected generally to reduce the potential dilution and/or offset the potential cash payments the Company is required to make in excess of the principal amount upon conversion of the 2012 Convertible Notes in the event that the market price per share of the Company's common stock, is greater than the strike price of the Convertible Note Hedge Transactions, which initially corresponds to the conversion price of the 2012 Convertible Notes and is subject to anti-dilution adjustments. If, however, the market price per share of the Company's common stock, as measured under the terms of the Warrant Transactions, exceeds the strike price of the warrants, there would nevertheless be dilution to the extent that such market price exceeds the strike price of the warrants, unless the Company elects, subject to certain conditions, to settle the Warrant Transactions in cash. The strike price of the Warrant Transactions will initially be $44.1875 per share of the Company's common stock and is subject to certain adjustments under the terms of the Warrant Transactions. Taken together, the Convertible Note Hedge Transactions and the Warrant Transactions have the effect of increasing the effective conversion price of the 2012 Convertible Notes to $44.1875 per share.

The Convertible Note Hedge Transactions and the Warrant Transactions are separate transactions, in each case, entered into by the Company with certain counterparties, and are not part of the terms of the 2012 Convertible Notes and will not affect any holder's rights under the 2012 Convertible Notes. Holders of the 2012 Convertible Notes will not have any rights with respect to the Convertible Note Hedge Transactions or the Warrant Transactions. In accordance with authoritative guidance, as of December 31, 2012, the Company recorded the net cost of the Convertible Note Hedge Transactions and the Warrant Transactions as a reduction in additional paid in capital, and will not recognize subsequent changes in fair value of these financial instruments in its consolidated financial statements.

The net proceeds from the sale of the 2012 Convertible Notes were approximately $111.1 million, after deducting estimated fees and expenses. The Company used approximately $11.5 million of the net proceeds to pay the cost of the Convertible Note Hedge Transactions, taking into account the proceeds to the Company of the Warrant Transactions; approximately $25.0 million of the net proceeds to repurchase shares of the Company's common stock; approximately $61.5 million of the net proceeds to repay borrowings under the Credit Agreement; and the balance of the net proceeds for general corporate purposes.

The Company determined that the fair value of the 2012 Convertible Notes at the date of issuance was approximately $100.3 million, and designated the residual value of approximately $14.7 million as the equity component. Additionally, the Company allocated approximately $3.3 million of the $3.8 million original 2012 Convertible Notes issuance cost as debt issuance cost and the remaining $0.5 million as equity issuance cost.

2013 Convertible Senior Notes

On June 24, 2013, Encore sold $150.0 million in aggregate principal amount of 3.00% convertible senior notes due July 1, 2020 in a private placement transaction (the "2013 Convertible Notes"). The 2013 Convertible Notes are general unsecured obligations of the Company. Interest on the 2013 Convertible Notes is payable semi-annually, in arrears, on January 1 and July 1 of each year, beginning on January 1, 2014. Prior to January 1, 2020, the 2013 Convertible Notes will be convertible only during specified periods, if certain conditions are met. On or after January 1, 2020, the 2013 Convertible Notes will be convertible regardless of these conditions. Upon conversion, holders will receive cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election. The conversion rate for the 2013 Convertible Notes is 21.8718 shares per $1,000 principal amount, which is equivalent to an initial conversion price of approximately $45.72 per share of common stock. As of June 30, 2013, none of the conditions allowing holders of the 2013 Convertible Notes to convert their notes had occurred.

As noted above, upon conversion, holders of the Company's 2013 Convertible Notes will receive cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election. However, the Company's current intent is to settle conversions through combination settlement (*i.e.,* convertible into cash up to the aggregate principal amount, and shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election, for the remainder). As a result and in accordance with authoritative guidance related to derivatives and hedging and earnings per share, only the conversion spread is included in the diluted earnings per share calculation, if dilutive. Under such method, the settlement of the conversion spread has a dilutive effect when the average share price of the Company's common stock during any quarter exceeds $45.72.

In connection with the pricing of the 2013 Convertible Notes, the Company entered into privately negotiated capped call transactions (the "Capped Call Transactions") with one or more of the initial purchasers (or their affiliates) and one or more other financial institutions (the "Option Counterparties"). The Capped Call Transactions cover, collectively, the number of shares of the Company's common stock underlying the 2013 Convertible Notes, subject to anti-dilution adjustments substantially similar to those applicable to the 2013 Convertible Notes. The cost of the Capped Call Transactions was approximately $15.8 million. In accordance with authoritative guidance, as of June 30, 2013, the Company recorded the net cost of the Capped Call Transactions as a reduction in additional paid in capital, and will not recognize subsequent changes in fair value of these financial instruments in its consolidated financial statements.

The Capped Call Transactions are expected generally to reduce the potential dilution and/or offset the cash payments the Company is required to make in excess of the principal amount upon conversion of the 2013 Convertible Notes in the event that the market price of the Company's common stock is greater than the strike price of the Capped Call Transactions (which initially corresponds to the initial conversion price of the 2013 Convertible Notes and is subject to certain adjustments under the terms of the Capped Call Transactions), with such reduction and/or offset subject to a cap based on the cap price of the Capped Call Transactions. The cap price of the capped call transactions is $61.5475 per share, and is subject to certain adjustments under the terms of the Capped Call Transactions.

The Capped Call Transactions are separate transactions, in each case, entered into by the Company with the Option Counterparties, and are not part of the terms of the 2013 Convertible Notes and will not affect any holder's rights under the 2013 Convertible Notes. Holders of the 2013 Convertible Notes do not have any rights with respect to the Capped Call Transactions.

The net proceeds from the sale of the 2013 Convertible Notes were approximately $144.9 million, after deducting the initial purchasers' discounts and commissions and the estimated offering expenses payable by the Company. The Company used approximately $15.8 million of the net proceeds from this offering to pay the cost of the Capped Call Transactions and used the remainder of the net proceeds from this offering to pay a portion of the purchase price for the Cabot Acquisition and for general corporate purposes.

The Company determined that the fair value of the 2013 Convertible Notes at the date of issuance was approximately $122.0 million, and designated the residual value of approximately $28.0 million as the equity component. Additionally, the Company allocated approximately $4.3 million of the $5.3 million original 2013 Convertible Notes issuance cost as debt issuance cost and the remaining $1.0 million as equity issuance cost.

On July 18, 2013, the initial purchasers exercised, in full, their option to purchase an additional $22.5 million of the 2013 Convertible Notes, which resulted in an aggregate principal amount of $172.5 million of the 2013 Convertible Notes outstanding. Refer to Note 17 "Subsequent Events" for more information about the additional notes.

Authoritative guidance related to debt with conversion and other options requires that, for convertible debt instruments that may be settled fully or partially in cash upon conversion, issuers must separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. Additionally, debt issuance costs are required to be allocated in proportion to the allocation of the liability and equity components and accounted for as debt issuance costs and equity issuance costs, respectively.

The balances of the liability and equity components of all of the convertible notes outstanding were as follows *(in thousands)*:

	June 30, 2013	December 31, 2012
Liability component—principal amount	$ 265,000	$ 115,000
Unamortized debt discount	(41,233)	(14,442)
Liability component—net carrying amount	$ 223,767	$ 100,558
Equity component	$ 42,748	$ 14,702

The debt discount is being amortized into interest expense over the remaining life of the convertible notes using the effective interest rates, which are 6.0 % and 6.35% for the 2012 and 2013 Convertible Notes, respectively.

Interest expense related to the convertible notes was as follows *(in thousands)*:

	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
Interest expense – stated coupon rate	$ 948	$ 1,806
Interest expense – amortization of debt discount	710	1,317
Total interest expense – convertible notes	$ 1,658	$ 3,123

The Company is in compliance with all covenants under its financing arrangements.

Capital Lease Obligations

The Company has capital lease obligations primarily for computer equipment. As of June 30, 2013, the Company's combined obligations for these equipment leases were approximately $8.0 million. These lease obligations require monthly or quarterly payments through May 2018 and have implicit interest rates that range from zero to approximately 7.7 %.

Note 12: Income Taxes

During the three months ended June 30, 2013, the Company recorded an income tax provision of $7.3 million, reflecting an effective rate of 39.8% of pretax income from continuing operations. The effective tax rate for the three months ended June 30, 2013 primarily consisted of a provision for federal income taxes of 32.7% (which is net of a benefit for state taxes of 2.3%), a blended provision for state taxes of 6.6%, and a provision due to permanent book and tax difference of 0.5%.

During the three months ended June 30, 2012, the Company recorded an income tax provision of $12.8 million, reflecting an effective rate of 40.4% of pretax income from continuing operations. The effective tax rate for the three months ended June 30, 2012 primarily consisted of a provision for federal income taxes of 32.7% (which is net of a benefit for state taxes of 2.3%), a blended provision for state taxes of 6.5%, and a provision due to the true-up of certain state and federal tax accounts of 1.2%.

During the six months ended June 30, 2013, the Company recorded an income tax provision of $19.8 million, reflecting an effective rate of 39.4 % of pretax income from continuing operations. The effective tax rate for the six months ended June 30, 2013 primarily consisted of a provision for federal income taxes of 32.7% (which is net of a benefit for state taxes of 2.3%), a blended provision for state taxes of 6.6% and a provision due to permanent book and tax difference of 0.1%.

During the six months ended June 30, 2012, the Company recorded an income tax provision of $24.5 million, reflecting an effective rate of 39.8% of pretax income from continuing operations. The effective tax rate for the six months ended June 30, 2012, primarily consisted of a provision for federal income taxes of 32.7% (which is net of a benefit for state taxes of 2.3%), a provision for state taxes of 6.5%, and a provision due to the true-up of certain state and federal tax accounts of 0.6%.

The Company's subsidiary in Costa Rica is operating under a 100% tax holiday through December 31, 2018 and a 50% tax holiday for the subsequent four years. The impact of the tax holiday in Costa Rica for the three and six months ended June 30, 2013 was immaterial.

As of June 30, 2013, the Company had a gross unrecognized tax benefit of $15.4 million that, if recognized, would result in a net tax benefit of approximately $14.5 million and would have a positive effect on the Company's effective tax rate. During the three and six months ended June 30, 2013, there was an increase in the gross unrecognized tax benefit of $12.7 million as a result of the AACC Merger as discussed in Note 3 "Business Combinations."

During the three and six months ended June 30, 2013, the Company did not provide for United States income taxes or foreign withholding taxes on the quarterly undistributed earnings from continuing operations of its subsidiaries operating outside of the United States. Undistributed earnings of these subsidiaries during the three and six months ended June 30, 2013, were approximately $1.5 million and $3.2 million, respectively. Such undistributed earnings are considered permanently reinvested.

Note 13: Purchase Concentrations

The following table summarizes purchases by seller sorted by total aggregate cost (*in thousands, except percentages*):

	Six Months Ended June 30, 2013	
	Cost	%
Portfolios acquired in AACC Merger	$ 381,233	79.1%
Seller 1	18,791	3.9%
Seller 2	14,904	3.1%
Seller 3	13,064	2.7%
Seller 4	11,813	2.5%
Other sellers	42,079	8.7%
Total purchases	$ 481,884	100.0%

Note 14: Commitments and Contingencies

Litigation

The Company is involved in disputes and legal actions from time to time in the ordinary course of business. The Company, along with others in its industry, is routinely subject to legal actions based on the Fair Debt Collection Practices Act ("FDCPA"), comparable state statutes, the Telephone Consumer Protection Act ("TCPA"), state and federal unfair competition statutes, and common law causes of action. The violations of law alleged in these actions often include claims that the Company lacks specified licenses to conduct its business, attempts to collect debts on which the statute of limitations has run, has made inaccurate assertions of fact in support of its collection actions, and/or has acted improperly in connection with its efforts to contact consumers. These cases are frequently styled as supposed class actions.

On March 8, 2013, March 19, 2013 and March 20, 2013, three actions entitled *Shell v. Asset Acceptance Capital Corp., et. al.*, *Neumann v. Asset Acceptance Capital Corp., et. al.*, and *Jaluka v. Asset Acceptance Capital Corp. et. al.*, respectively, were filed in the Macomb County Circuit Court of the State of Michigan. On April 19, 2013, a fourth action entitled *Dix v. Asset Acceptance Capital Corp. et al* was filed in the Court of Chancery of the State of Delaware. These actions were brought by purported stockholders of AACC, against the Company, AACC, and certain other named entities and individuals, and allege, among other things, that the Company has aided and abetted AACC's directors in breaching their fiduciary duties of care, loyalty and candor or disclosure owed to AACC stockholders. Plaintiffs in the actions sought, among other things, injunctive relief prohibiting consummation of the proposed acquisition, or rescission of the proposed acquisition (in the event the transaction has already been consummated), as well as costs and disbursements, including reasonable attorneys' and experts' fees, and other equitable or injunctive relief as the court may deem just and proper. The plaintiffs did not specify the dollar amount of damages sought in each action. On June 2, 2013, AACC entered into a Memorandum of Understanding (the "MOU") with the plaintiffs in the Michigan actions and Delaware action that sets forth the parties' agreement in principle for settlement. As explained in the MOU, without admitting any wrongdoing, AACC agreed to make certain additional disclosures related to the proposed merger, and to enter into a stipulation of settlement providing for the certification of a class, for settlement purposes only, that includes certain persons or entities who held shares of AACC common stock and the release of all asserted claims. Once the stipulation of settlement is approved by the Michigan court, which has yet to and may not occur, the attorneys for the class members intend to seek an award of attorneys' fees and costs incurred in a total amount not to exceed $550,000, which the defendants have agreed to not oppose.

Except as described above and in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, there have been no material developments in any of the legal proceedings disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

In certain legal proceedings, the Company may have recourse to insurance or third party contractual indemnities to cover all or portions of its litigation expenses, judgments, or settlements. In accordance with authoritative guidance, the Company records loss contingencies in its financial statements only for matters in which losses are probable and can be reasonably estimated. Where a range of loss can be reasonably estimated with no best estimate in the range, the Company records the minimum estimated liability. The Company continuously assesses the potential liability related to the Company's pending litigation and revises its estimates when additional information becomes available. As of June 30, 2013, the Company has no material reserves for litigation. Additionally, based on the current status of litigation matters, either the estimate of exposure is immaterial to the Company's financial statements or an estimate cannot yet be determined. The Company's legal costs are recorded to expense as incurred.

Purchase Commitments

In the normal course of business, the Company enters into forward flow purchase agreements and other purchase commitment agreements. As of June 30, 2013, the Company has entered into agreements to purchase receivable portfolios with a face value of approximately $435.8 million for a purchase price of approximately $35.5 million. The Company has no purchase commitments beyond December 2014.

Note 15: Segment Information

The Company conducts business through two operating segments: portfolio purchasing and recovery and tax lien business. The Company's management relies on internal management reporting processes that provide segment revenue, segment operating income, and segment asset information in order to make financial decisions and allocate resources. The operating results from the Company's tax lien business segment are immaterial to the Company's total consolidated operating results. However, total assets from this segment are significant as compared to the Company's total consolidated assets. As a result, in accordance with authoritative guidance on segment reporting, the Company's tax lien business segment is determined to be a reportable segment.

Segment operating income includes income from operations before depreciation, amortization of intangible assets, and stock-based compensation expense. The following table provides a reconciliation of revenue and segment operating income by reportable segment to consolidated results and was derived from the segments' internal financial information as used for corporate management purposes *(in thousands)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues:				
Portfolio purchasing and recovery	$ 152,091	$ 138,733	$292,774	$265,143
Tax lien business	4,030	2,513	7,933	2,513
	$ 156,121	$ 141,246	$300,707	$267,656
Operating income:				
Portfolio purchasing and recovery	$ 33,478	$ 41,396	$ 76,158	$ 79,918
Tax lien business	742	1,000	1,623	1,000
	34,220	42,396	77,781	80,918
Depreciation and amortization	(2,158)	(1,420)	(4,004)	(2,660)
Stock-based compensation	(2,179)	(2,539)	(5,180)	(4,805)
Other expense	(11,604)	(6,603)	(18,299)	(11,851)
Income from continuing operations before income taxes	$ 18,279	$ 31,834	$ 50,298	$ 61,602

Additionally, assets are allocated to operating segments for management review. As of June 30, 2013, total segment assets were $1.5 billion and $256.4 million for the portfolio purchasing and recovery segment and tax lien business segment, respectively.

Note 16: Goodwill and Identifiable Intangible Assets

In accordance with authoritative guidance, goodwill is tested at the reporting unit level annually for impairment and in interim periods if certain events occur that indicate the fair value of a reporting unit may be below its carrying value.

As of June 30, 2013, the Company has two reporting units that carry goodwill: portfolio purchasing and recovery and tax lien business. Annual testing is performed as of October 1st for the portfolio purchasing and recovery reporting unit and as of April 1st for the tax lien business reporting unit.

The Company's acquired intangible assets are summarized as follows *(in thousands)*:

	As of June 30, 2013			As of December 31, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:						
Trade name and other	$ 2,060	$ (126)	$ 1,934	$ 570	$ (83)	$ 487
Intangible assets not subject to amortization:						
Goodwill – portfolio purchasing and recovery			$ 74,398			$ 6,047
Goodwill – tax lien business			45,390			49,399
Other intangibles			1,900			—
			$ 121,688			$ 55,446

The changes in carrying amount of goodwill by reporting unit for the six months ended June 30, 2013 are as follows *(in thousands)*:

	Portfolio Purchasing and Recovery	Tax Lien business
Balance, December 31, 2012	$ 6,047	$ 49,399
Goodwill acquired	68,351	—
Goodwill adjustment[(1)]	—	(4,009)
Balance, June 30, 2013	$ 74,398	$ 45,390

(1) As a result of its final valuation study related to the Company's acquisition of Propel, during the three months ended March 31, 2013, the Company made an adjustment to the initial purchase price allocation, increasing receivables secured by tax liens and decreasing goodwill by approximately $4.0 million.

Note 17: Subsequent Events

Cabot Acquisition

On July 1, 2013, the Company acquired 50.1% of the equity interest in Janus Holdings, the indirect holding company of Cabot, from J.C. Flowers, for £115.1 million (approximately $174.6 million). The remaining 49.9% of Janus Holdings is held by a fund advised by J.C. Flowers & Co., LLC. The Company has the option to purchase the remaining interest in Janus Holdings during the period from the fourth anniversary to the sixth anniversary of the closing. Through its acquisition of Janus Holdings the Company's equity ownership of Cabot currently amounts to 41.7%, after reflecting the ownership of Cabot's management team. Encore's equity interest will automatically increase to approximately 42.8% by June 2014, following the redemption or conversion of certain Bridge Preferred Equity Certificates. For additional information relating to the Cabot Acquisition, please refer to the Company's Current Reports on Form 8-K filed with the SEC on May 30, 2013 and July 8, 2013.

The Company will account for this acquisition using the acquisition method of accounting and, accordingly, the tangible and intangible assets acquired and liabilities assumed will be recorded at their estimated fair values as of the date of the Cabot Acquisition. The results of operations of Janus Holdings will be consolidated with those of the Company beginning on July 1, 2013. As of the date of this Quarterly Report on Form 10-Q, the Company has not completed its preliminary purchase price allocation for the Cabot Acquisition because the Company has not had sufficient time to complete the allocation.

Cabot 2013 Senior Secured Notes

On August 2, 2013, Cabot Financial (Luxembourg) S.A. (the "Issuer"), a subsidiary of the Company, sold £100 million U.K. pounds sterling in aggregate principal amount of 8.375% Senior Secured Notes due 2020 (the "Cabot Notes"). The Cabot Notes are fully and unconditionally guaranteed on a senior secured basis by the following subsidiaries of the Company: Cabot Credit Management Limited, Cabot Financial Limited, and all material subsidiaries of Cabot Financial Limited (other than the Issuer). Refer to the Company's Current Report on Form 8-K filed with the SEC on August 6, 2013 for more information about the Cabot Notes.

2013 Convertible Notes

On June 24, 2013, Encore sold $150.0 million in aggregate principal amount of 3.00% 2013 Convertible Notes due July 1, 2020 in a private placement transaction. On July 18, 2013, the initial purchasers exercised, in full, their option to purchase an additional $22.5 million in aggregate principal amount of the 2013 Convertible Notes, which resulted in an aggregate principal amount of $172.5 million of the 2013 Convertible Notes. The additional notes have the same terms as the 2013 Convertible Notes. The Company also entered into capped call transactions that have the same terms as those associated with the 2013 Convertible Notes. Refer to Note 11 "Debt" for more information on the Company's 2013 Convertible Notes.

Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the securities laws. The words "believe," "expect," "anticipate," "estimate," "project," "intend," "plan," "will," "may," and similar expressions often characterize forward-looking statements. These statements may include, but are not limited to, projections of collections, revenues, income or loss, estimates of capital expenditures, plans for future operations, products or services and financing needs or plans, as well as assumptions relating to these matters. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we caution that these expectations or predictions may not prove to be correct or we may not achieve the financial results, savings or other benefits anticipated in the forward-looking statements. These forward-looking statements are necessarily estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties, some of which may be beyond our control or cannot be predicted or quantified, that could cause actual results to differ materially from those suggested by the forward-looking statements. Many factors, including but not limited to those set forth in our Annual Report on Form 10-K under "Part I, Item 1A. Risk Factors" and those set forth in this Quarterly Report on Form 10-Q under "Part II, Item 1A – Risk Factors," could cause our actual results, performance, achievements or industry results to be very different from the results, performance, achievements or industry results expressed or implied by these forward-looking statements. Our business, financial condition or results of operations could also be materially and adversely affected by other factors besides those listed. Forward-looking statements speak only as of the date the statements were made. We do not undertake any obligation to update or revise any forward-looking statements to reflect new information or future events, or for any other reason, even if experience or future events make it clear that any expected results expressed or implied by these forward-looking statements will not be realized. In addition, it is generally our policy not to make any specific projections as to future earnings, and we do not endorse projections regarding future performance that may be made by third parties.

Our Business and Operating Segments

We are a leading provider of debt management and recovery solutions for consumers and property owners across a broad range of financial assets. We purchase portfolios of defaulted consumer receivables at deep discounts to face value and manage them by working with individuals as they repay their obligations and work toward financial recovery. Defaulted receivables are consumers' unpaid financial commitments to credit originators, including banks, credit unions, consumer finance companies, commercial retailers, and telecommunication companies. Defaulted receivables may also include receivables subject to bankruptcy proceedings. In addition, through our subsidiary, Propel, we assist Texas property owners who are delinquent on their property taxes by paying these taxes on behalf of the property owners in exchange for payment agreements collateralized by tax liens on the property, as well as purchase tax lien certificates directly from taxing authorities.

We conduct business through two operating segments: portfolio purchasing and recovery and tax lien business. The operating results from our tax lien business segment are immaterial to our total consolidated operating results. However, the total segment assets are significant as compared to our total consolidated assets. As a result, in accordance with authoritative guidance on segment reporting, our tax lien business segment is determined to be a reportable segment.

Our long-term growth strategy involves growing our core portfolio purchasing and recovery business, expanding into new asset classes, and expanding into new geographies.

Portfolio purchasing and recovery

Our portfolio purchasing and recovery segment purchases receivables based on robust, account-level valuation methods and employs proprietary statistical and behavioral models across the full extent of our operations. These investments allow us to value portfolios accurately (and limit the risk of overpaying), avoid buying portfolios that are incompatible with our methods or goals and align the accounts we purchase with our operational channels to maximize future collections. As a result, we have been able to realize significant returns from the receivables we acquire. We maintain strong relationships with many of the largest credit and telecommunication providers in the United States and believe we possess one of the industry's best collection staff retention rates.

While seasonality does not have a material impact on our portfolio purchasing and recovery segment, collections are generally strongest in our first calendar quarter, slower in the second and third calendar quarters, and slowest in the fourth calendar quarter. Relatively higher collections in the first quarter could result in a lower cost-to-collect ratio compared to the other quarters, as our fixed costs would be constant and applied against a larger collection base. The seasonal impact on our business may be influenced by our purchasing levels, the types of portfolios we purchase, and our operating strategies.

Collection seasonality with respect to our portfolio purchasing and recovery segment can also affect our revenue recognition rate. Generally, revenue for each pool group declines steadily over time, whereas collections can fluctuate from quarter to quarter based on seasonality, as described above. In quarters with lower collections (*e.g.,* the fourth calendar quarter), revenue as a percentage of collections can be higher than in quarters with higher collections (*e.g.,* the first calendar quarter).

In addition, seasonality could have an impact on the relative level of quarterly earnings. In quarters with stronger collections, total costs are higher as a result of the additional efforts required to generate those collections. Since revenue for each pool group declines steadily over time, in quarters with higher collections and higher costs (*e.g.,* the first calendar quarter), all else being equal,

earnings could be lower than in quarters with slower collections and lower costs (*e.g.,* the fourth calendar quarter). Additionally, in quarters where a greater percentage of collections come from our legal and agency outsourcing channels, cost to collect will be higher than if there were more collections from our internal collection sites.

Tax lien business

Our tax lien business segment focuses on the property tax financing industry. Our principal activity is originating and servicing property tax lien transfers in the state of Texas and investing in tax lien certificates in other states. For tax lien transfers, with the property owner's consent, we pay the property owner's delinquent property taxes directly to the taxing authority, which then transfers its tax lien to us. This lien takes priority over most other liens. By funding tax liens, we provide state and local taxing authorities and governments with much needed tax revenue. To the extent permitted by law, we then enter into a payment agreement with the property owner, creating an affordable payment plan designed to permit the property owner to keep his or her property. For tax lien certificates, we purchase the tax lien certificates directly from taxing authorities, securing rights to future property tax payments, interest and penalties. Tax lien certificates we invest in are collateralized by the underlying property, and in most cases, continue to be serviced by the taxing authority. When the taxing authority is paid, it repays us the outstanding balance of the lien plus interest, which is negotiated at the time of the purchase. Revenue from our tax lien business segment comprised 3% of total consolidated revenues for the three and six months ended June 30, 2013. Operating income from our tax lien business segment comprised 2% of our total consolidated operating income for the three and six months ended June 30, 2013.

Cabot Acquisition

On July 1, 2013, we completed the purchase (the "Cabot Acquisition") of 50.1% of the equity interest in Janus Holdings Luxembourg S.a.r.l. ("Janus Holdings"), the indirect holding company of U.K. and Ireland based Cabot Credit Management Limited ("Cabot"), from an affiliate of J.C. Flowers & Co. LLC ("J.C. Flowers"). Through our acquisition of Janus Holdings our equity ownership of Cabot currently amounts to 41.7%, after reflecting the ownership of Cabot's management team. Our equity interest will automatically increase to approximately 42.8% by June 2014, following the redemption or conversion of certain Bridge Preferred Equity Certificates. Cabot is a market leader in debt management in the United Kingdom and Ireland specializing in higher balance, "semi-performing" (*i.e.*, paying) accounts. We expect that the acquisition will provide Cabot with access to more capital, which will enable Cabot to purchase additional debt and expand into other asset categories. In addition, the acquisition provides synergy opportunities through Cabot's ability to leverage our analytic capabilities and efficient operating platform. Our initial focus will be to help Cabot expand into the large secondary and tertiary markets by leveraging our analytical insights in these markets and utilizing our workforce in India, during the day, when this site is dormant. The acquisition also enables us to deploy capital globally in a market that we believe has strong growth potential. Cabot will continue to be a stand-alone entity. It will retain its current staff and brand and continue to be run as its own company. The condensed consolidated statements of comprehensive income for the three and six months ended June 30, 2013 do not include the results of operations of Janus Holdings because the Cabot Acquisition was not completed until July 1, 2013. The results of operations of Janus Holdings will be consolidated within our portfolio purchasing and recovery business in future periods. For additional information relating to the Cabot Acquisition, please refer to the Company's Current Reports on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on May 30, 2013 and July 8, 2013.

AACC Merger

On June 13, 2013, we completed our merger with Asset Acceptance Capital Corp. ("AACC"), another leading provider of debt management and recovery solutions in the United States (the "AACC Merger"). We believe that our operating and cost advantages will improve the profitability of AACC's investments and that the AACC Merger also provides us with valuable operations capabilities and synergy opportunities. We expect our combined organization to operate at our lower cost-to-collect within the next three to four quarters. However, the success of the merger will depend on our ability to successfully integrate AACC's business with our business in a cost-effective manner that does not disrupt the existing business relationships of either company. See "Item 1A – Risk Factors" for more information. The condensed consolidated statements of comprehensive income for the three and six months ended June 30, 2013 include the results of operations of AACC only since the closing date of the AACC Merger. For additional information relating to the AACC Merger, please refer to our Current Reports on Form 8-K filed with the SEC on March 6, 2013 and June 17, 2013.

In January 2012, Asset Acceptance, LLC, a subsidiary of AACC, entered into a consent decree with the Federal Trade Commission ("FTC"). The consent decree ended an FTC investigation into Asset Acceptance, LLC's compliance with the Federal Trade Commission Act, Fair Debt Collection Practices Act and Fair Credit Reporting Act. As part of the consent decree, Asset Acceptance, LLC agreed to undertake certain consumer protection practices, including, among other things, furnishing additional disclosures when collecting debt past the statute of limitations, and paid a civil penalty of $2,500,000. These practices continue to apply to the portfolios we purchased as a result of the AACC Merger. We do not expect compliance with the consent decree to have a material effect on our business.

Purchases and Collections

Portfolio Pricing and Supply

Meaningful increases in the prices for portfolios offered for sale directly from credit issuers continued into the second quarter of 2013, especially for fresh portfolios. Fresh portfolios are portfolios that are generally transacted within six months of the consumer's account being charged-off by the financial institution. We believe this price increase is due to a reduction in the supply of charged-off accounts and continued demand in the marketplace. We believe that the reduction in supply is partially due to shifts in underwriting standards by financial institutions, which have resulted in lower volumes of charged-off accounts. We believe that this reduction in supply is also the result of certain financial institutions temporarily halting their sales of charged-off accounts while they conduct audits of debt management and recovery companies, including Encore. We expect that pricing will remain at these elevated levels for

some period of time. We believe that pricing will not decline until buyers who have paid prices that are too high recognize that they are unable to realize a profit or until the financial institutions complete their audits of debt management and recovery companies and resume selling their charged-off accounts in greater volumes than current levels. Should pricing trends continue in this manner, we expect to continue to adjust our purchasing strategies away from fresh portfolios, and toward portfolios in alternative asset classes or aged portfolios, where pricing is not as elevated and where we believe that our operational model allows us to maintain acceptable profit margins. Additionally, the AACC Merger accounted for a significant portion of our 2013 forecasted purchases and, as a result, we slowed our purchasing efforts in the second quarter of 2013 as compared to the second quarter of 2012 and expect to slow our purchases in the third quarter of 2013 as compared to the third quarter of 2012.

Portfolio Demand

We believe that smaller competitors are being driven out of the portfolio purchasing market because of the high cost to operate due to regulatory pressure and because the issuers are being more selective with buyers in the marketplace, resulting in consolidation within the portfolio purchasing and recovery industry.

Purchases by Type

The following table summarizes the types of charged-off consumer receivable portfolios we purchased for the periods presented *(in thousands)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Credit card[1]	$380,423	$202,294	$423,837	$310,229
Consumer bankruptcy receivables[1][2]	39,897	—	39,897	—
Telecom	2,793	28,689	18,150	51,217
	$423,113	$230,983	$481,884	$361,446

(1) Purchases of consumer portfolio receivables for the three and six month periods ended June 30, 2013 include $381.2 million acquired in connection with the AACC Merger ($345.5 million for credit card and $35.7 million for consumer bankruptcy receivables).

(2) Represents portfolio receivables subject to Chapter 13 and Chapter 7 bankruptcy proceedings acquired from issuers and resellers.

During the three months ended June 30, 2013, we invested $423.1million to acquire charged-off credit card, telecom and consumer bankruptcy portfolios, with face values aggregating $68.9 billion, for an average purchase price of 0.6% of face value. This is a $192.1 million increase, or 83.2%, in the amount invested, compared with the $231.0 million invested during the three months ended June 30, 2012, to acquire charged-off credit card and telecom portfolios with a face value aggregating $6.0 billion, for an average purchase price of 3.8% of face value. Purchases of charged-off credit card, telecom and consumer bankruptcy portfolios include $381.2 million acquired in conjunction with the AACC Merger. The period-over-period increase in purchases and decrease in the percentage of face value is related to the purchase of these portfolios.

During the six months ended June 30, 2013, we invested $481.9 million to acquire charged-off credit card, telecom and consumer bankruptcy portfolios, with face values aggregating $70.5 billion, for an average purchase price of 0.7% of face value. This is a $120.4 million increase, or 33.3%, in the amount invested, compared with the $360.4 million invested during the six months ended June 30, 2012, to acquire charged-off portfolios with a face value aggregating $8.9 billion, for an average purchase price of 4.0% of face value. Purchases of charged-off credit card, telecom and consumer bankruptcy portfolios include $381.2 million of portfolio acquired in conjunction with the AACC Merger. The increase in purchases and decrease in the percentage of face value is related to this purchase.

Average purchase price, as a percentage of face value, varies from period to period depending on, among other things, the quality of the accounts purchased and the length of time from charge off to the time we purchase the portfolios. The low purchase rate for the three and six month periods ending June 30, 2013 is related to the portfolio acquired in connection with the AACC Merger. This low rate is a result of us acquiring the entire portfolio of AACC, which included accounts for which we ascribed low or no value.

Collections by Channel

We utilized numerous business channels for the collection of charged-off credit card receivables and other charged-off receivables. The following table summarizes gross collections by collection channel in the respective periods *(in thousands)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Legal collections	$133,682	$114,876	$255,955	$224,448
Collection sites	116,853	111,641	243,415	221,511
Collection agencies [1]	27,853	14,043	49,188	25,629
	$278,388	$240,560	$548,558	$471,588

(1) Collections through our collection agency channel include accounts subject to bankruptcy filings collected by others.

Gross collections increased $37.8 million, or 15.7%, to $278.4 million during the three months ended June 30, 2013, from $240.6 million during the three months ended June 30, 2012. Gross collections increased $77.0 million, or 16.3%, to $548.6 million during the six months ended June 30, 2013, from $471.6 million during the six months ended June 30, 2012.

Results of Operations

Results of operations in dollars and as a percentage of total revenue were as follows *(in thousands, except per share amounts and percentages)*:

	Three Months Ended June 30,			
	2013		2012	
Revenues				
Revenue from receivable portfolios, net	$152,024	97.4%	$138,731	98.2%
Service fee income	380	0.2%	183	0.1%
Net interest income —tax lien business	3,717	2.4%	2,332	1.7%
Total revenues	156,121	100.0%	141,246	100.0%
Operating expenses				
Salaries and employee benefits	32,969	21.1%	25,190	17.8%
Cost of legal collections	44,483	28.5%	41,024	29.0%
Other operating expenses	13,797	8.9%	12,427	8.8%
Collection agency commissions	5,230	3.3%	4,166	3.0%
General and administrative expenses	27,601	17.7%	18,582	13.2%
Depreciation and amortization	2,158	1.4%	1,420	1.0%
Total operating expenses	126,238	80.9%	102,809	72.8%
Income from operations	29,883	19.1%	38,437	27.2%
Other (expense) income				
Interest expense	(7,482)	(4.8)%	(6,497)	(4.6)%
Other expense	(4,122)	(2.6)%	(106)	(0.1)%
Total other expense	(11,604)	(7.4)%	(6,603)	(4.7)%
Income from continuing operations before income taxes	18,279	11.7%	31,834	22.5%
Provision for income taxes	(7,267)	(4.6)%	(12,846)	(9.1)%
Income from continuing operations	11,012	7.1%	18,988	13.4%
Loss from discontinued operations, net of tax	—	0.0%	(2,392)	(1.7)%
Net income	$ 11,012	7.1%	$ 16,596	11.7%

	Six Months Ended June 30,			
	2013		2012	
Revenues				
Revenue from receivable portfolios, net	$292,707	97.4%	$265,136	99.1%
Service fee income	681	0.2%	188	0.1%
Net interest income – tax lien business	7,319	2.4%	2,332	0.8%
Total revenues	300,707	100.0%	267,656	100.0%
Operating expenses				
Salaries and employee benefits	61,801	20.6%	47,494	17.7%
Cost of legal collections	86,741	28.8%	79,659	29.8%
Other operating expenses	27,062	9.0%	24,025	9.0%
Collection agency commissions	8,559	2.9%	8,125	3.0%

	Six Months Ended June 30,			
	2013		2012	
General and administrative expenses	43,943	14.6%	32,240	12.1%
Depreciation and amortization	4,004	1.3%	2,660	1.0%
Total operating expenses	232,110	77.2%	194,203	72.6%
Income from operations	68,597	22.8%	73,453	27.4%
Other (expense) income				
Interest expense	(14,336)	(4.8)%	(12,012)	(4.5)%
Other (expense)income	(3,963)	(1.3)%	161	0.1%
Total other expense	(18,299)	(6.1)%	(11,851)	(4.4)%
Income from continuing operations before income taxes	50,298	16.7%	61,602	23.0%
Provision for income taxes	(19,838)	(6.6)%	(24,506)	(9.1)%
Income from continuing operations	30,460	10.1%	37,096	13.9%
Loss from discontinued operations, net of tax	—	0.0%	(9,094)	(3.4)%
Net income	$ 30,460	10.1%	$ 28,002	10.5%

Non-GAAP Disclosure

In addition to the financial information prepared in conformity with Generally Accepted Accounting Principles ("GAAP"), we provide certain historical non-GAAP financial information. Management believes that the presentation of such non-GAAP financial information is meaningful and useful in understanding the activities and business metrics of our operations. Management believes that these non-GAAP financial measures reflect an additional way of viewing aspects of our business that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business.

Management believes that the presentation of these measures provides investors with greater transparency and facilitates comparison of operating results across a broad spectrum of companies with varying capital structures, compensation strategies, derivative instruments, and amortization methods, which provide a more complete understanding of our financial performance, competitive position, and prospects for the future. Readers should consider the information in addition to, but not instead of, our financial statements prepared in accordance with GAAP. This non-GAAP financial information may be determined or calculated differently by other companies, limiting the usefulness of these measures for comparative purposes.

Adjusted Income from Continuing Operations Per Share. Management believes that investors regularly rely on non-GAAP adjusted income and adjusted income per share, to assess operating performance, in order to highlight trends in our business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP. Adjusted income from continuing operations excludes non-cash interest and issuance cost amortization relating to our convertible notes, one-time charges, and acquisition and integration related expenses, all net of tax. The following table provides a reconciliation between income from continuing operations and diluted income from continuing operations per share calculated in accordance with GAAP to adjusted income from continuing operations and adjusted income from continuing operations per share, respectively *(in thousands, except per share data):*

	Three Months Ended June 30,				Six Months Ended June 30,			
	2013		2012		2013		2012	
	$	Per Diluted Share	$	Per Diluted Share	$	Per Diluted Share	$	Per Diluted Share
GAAP net income from continuing operations, as reported	$ 11,012	$ 0.44	$ 18,988	$ 0.74	$ 30,460	$ 1.24	$ 37,096	$ 1.44
Adjustment:								
Convertible notes non-cash interest and issuance cost amortization, net of tax	529	$ 0.02	—	—	1,000	$ 0.04	—	—
Acquisition related legal and advisory fees, net of tax	4,205	$ 0.17	2,251	$ 0.09	4,980	$ 0.20	2,567	$ 0.10
Acquisition related integration and severance costs, and consulting fees, net of tax	3,304	$ 0.13	—	—	3,304	$ 0.13	—	—
Acquisition related other expenses, net of tax	2,198	$ 0.09	—	—	2,198	$ 0.09	—	—
Adjusted income from continuing operations	$ 21,248	$ 0.85	$ 21,239	$ 0.83	$ 41,942	$ 1.70	$ 39,663	$ 1.54

Adjusted EBITDA. Management utilizes adjusted EBITDA (defined as net income before interest, taxes, depreciation and amortization, stock-based compensation expenses, portfolio amortization, one-time charges, and acquisition related expenses), which is materially similar to a financial measure contained in covenants used in our revolving credit and term loan facility, in the evaluation of our operations and believes that this measure is a useful indicator of our ability to generate cash collections in excess of operating expenses through the liquidation of our receivable portfolios *(in thousands):*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
GAAP net income, as reported	$ 11,012	$ 16,596	$ 30,460	$ 28,002
Adjustments:				
Loss from discontinued operations, net of tax	—	2,392	—	9,094
Interest expense	7,482	6,497	14,336	12,012
Provision for income taxes	7,267	12,846	19,838	24,506
Depreciation and amortization	2,158	1,420	4,004	2,660
Amount applied to principal on receivable portfolios	131,044	101,813	260,531	206,416
Stock-based compensation expense	2,179	2,539	5,180	4,805
Acquisition related legal and advisory fees	6,948	3,774	8,224	4,263
Acquisition related integration and severance costs, and consulting fees	5,455	—	5,455	—
Acquisition related other expenses	3,630	—	3,630	—
Adjusted EBITDA	$177,175	$147,877	$351,658	$291,758

Adjusted operating expenses. We have included information concerning adjusted operating expenses, excluding stock-based compensation expense, tax lien business segment operating expenses, one-time charges, and acquisition and integration related operating expenses, in order to facilitate a comparison of approximate cash costs to cash collections for the portfolio purchasing and recovery business in the periods presented *(in thousands):*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
GAAP total operating expenses, as reported	$126,238	$102,809	$232,110	$194,203
Adjustments:				
Stock-based compensation expense	(2,179)	(2,539)	(5,180)	(4,805)
Tax lien business segment operating expenses	(3,504)	(1,513)	(6,526)	(1,513)
Acquisition related legal and advisory fees	(6,948)	(3,774)	(8,224)	(4,263)
Acquisition related integration and severance costs, and consulting fees	(5,455)	—	(5,455)	—
Adjusted operating expenses	$108,152	$ 94,983	$206,725	$183,622

Comparison of Results of Operations

Revenues

Our revenues consist primarily of portfolio revenue and interest income net of related interest expense from receivables secured by property tax liens.

Portfolio revenue consists of accretion revenue and zero basis revenue. Accretion revenue represents revenue derived from pools (quarterly groupings of purchased receivable portfolios) with a cost basis that has not been fully amortized. Revenue from pools with a remaining unamortized cost basis is accrued based on each pool's effective interest rate applied to each pool's remaining unamortized cost basis. The cost basis of each pool is increased by revenue earned and decreased by gross collections and portfolio allowances. The effective interest rate is the Internal Rate of Return ("IRR") derived from the timing and amounts of actual cash received and anticipated future cash flow projections for each pool. All collections realized after the net book value of a portfolio has been fully recovered, or Zero Basis Portfolios, are recorded as revenue, or Zero Basis Revenue. We account for our investment in

receivable portfolios utilizing the interest method in accordance with the authoritative guidance for loans and debt securities acquired with deteriorated credit quality. Interest income, net of related interest expense represents net interest income on receivables secured by property lien taxes.

The following tables summarize collections, revenue, end of period receivable balance and other related supplemental data, by year of purchase from our portfolio purchasing and recovery segment (*in thousands, except percentages*):

	Three Months Ended June 30, 2013					As of June 30, 2013	
	Collections[1]	Gross Revenue[2]	Revenue Recognition Rate[3]	Net Portfolio Allowance Reversal	Revenue % of Total Revenue	Unamortized Balances	Monthly IRR
ZBA[4]	$ 7,836	$ 4,743	60.5%	$ 3,095	3.2%	$ —	100.0
2005	114	6	5.3%	—	0.0%	—	5.7%
2006	2,518	902	35.8%	57	0.6%	4,856	5.1%
2007	3,270	1,400	42.8%	237	0.9%	7,333	5.5%
2008	11,525	6,415	55.7%	285	4.3%	24,565	7.6%
2009	21,698	13,684	63.1%	—	9.2%	30,658	12.7%
2010	42,374	26,205	61.8%	—	17.7%	71,433	10.6%
2011	60,511	34,535	57.1%	—	23.3%	138,462	7.4%
2012	93,093	42,142	45.3%	—	28.4%	357,596	3.6%
2013	35,449	18,318	51.7%	—	12.4%	461,795	4.2%
Total	$278,388	$148,350	53.3%	$ 3,674	100.0%	$1,096,698	5.1%

	Three Months Ended June 30, 2012					As of June 30, 2012	
	Collections[1]	Gross Revenue[2]	Revenue Recognition Rate[3]	Net Reversal (Portfolio Allowance)	Revenue % of Total Revenue	Unamortized Balances	Monthly IRR
ZBA[4]	$ 7,107	$ 6,126	86.2%	$ 981	4.5%	$ —	—
2005	3,205	1,037	32.4%	1,053	0.8%	5,000	5.7%
2006	3,406	2,141	62.9%	(876)	1.6%	12,869	5.1%
2007	4,575	2,361	51.6%	333	1.7%	14,079	5.1%
2008	15,567	8,432	54.2%	(329)	6.1%	42,512	6.0%
2009	29,819	17,348	58.2%	—	12.6%	64,115	8.0%
2010	58,769	34,995	59.5%	—	25.4%	140,057	7.5%
2011	80,391	42,524	52.9%	—	30.9%	252,702	5.1%
2012	37,705	22,605	60.0%	—	16.4%	338,525	3.0%
Total	$240,544	$137,569	57.2%	$ 1,162	100.0%	$ 869,859	5.4%

	Six Months Ended June 30, 2013					As of June 30, 2013	
	Collections[1]	Gross Revenue[2]	Revenue Recognition Rate[3]	Net Reversal (Portfolio Allowance)	Revenue % of Total Revenue	Unamortized Balances	Monthly IRR
ZBA[4]	$ 13,448	$ 9,405	69.9%	$ 4044	3.3%	$ —	—
2005	2,364	239	10.1%	10	0.1%	—	5.7%
2006	5,021	2,042	40.7%	(402)	0.7%	4,856	5.1%
2007	6,648	2,954	44.4%	580	1.0%	7,333	5.5%
2008	23,639	13,446	56.9%	448	4.7%	24,565	7.6%
2009	44,930	28,379	63.2%	—	9.8%	30,658	12.7%
2010	87,598	54,597	62.3%	—	18.9%	71,433	10.6%
2011	127,747	70,883	55.5%	—	24.6%	138,462	7.4%
2012	197,265	85,437	43.3%	—	29.7%	357,596	3.6%
2013	39,898	20,645	51.7%	—	7.2%	461,795	4.2%
Total	$548,558	$288,027	52.5%	$ 4,680	100.0%	$1,096,698	5.1%

	Six Months Ended June 30, 2012					As of June 30, 2012	
	Collections[1]	Gross Revenue[2]	Revenue Recognition Rate[3]	Net Reversal (Portfolio Allowance)	Revenue % of Total Revenue	Unamortized Balances	Monthly IRR
ZBA[4]	$ 14,172	$ 12,158	85.8%	$ 2,015	4.6%	$ —	—
2005	6,636	2,356	35.5%	975	0.9%	5,000	5.7%
2006	7,175	4,646	64.8%	(1,996)	1.8%	12,869	5.1%
2007	9,625	5,098	53.0%	124	1.9%	14,079	5.1%
2008	32,880	17,477	53.2%	(329)	6.6%	42,512	6.0%
2009	62,397	38,086	61.0%		14.4%	64,115	8.0%
2010	122,765	72,093	58.7%	—	27.3%	140,057	7.5%
2011	165,611	84,448	51.0%	—	31.9%	252,702	5.1%
2012	50,291	27,985	55.6%	—	10.6%	338,525	3.0%
Total	$471,552	$264,347	56.1%	$ 789	100.0%	$869,859	5.4%

(1) Does not include amounts collected on behalf of others.
(2) Gross revenue excludes the effects of net portfolio allowances or net portfolio allowance reversals.
(3) Revenue recognition rate excludes the effects of net portfolio allowances or net portfolio allowance reversals.
(4) ZBA revenue typically has a 100% revenue recognition rate. However, collections on ZBA pool groups where a valuation allowance remains must first be recorded as an allowance reversal until the allowance for that pool group is zero. Once the valuation allowance is reversed, the revenue recognition rate will become 100%.

Total revenues were $156.1 million during the three months ended June 30, 2013, an increase of $14.9 million, or 10.5%, compared to total revenues of $141.2 million during the three months ended June 30, 2012. Total revenues were $300.7 million during the six months ended June 30, 2013, an increase of $33.0 million, or 12.3%, compared to total revenues of $267.7 million during the three months ended June 30, 2012.

Accretion revenue from our portfolio purchasing and recovery segment was $152.0 million during the three months ended June 30, 2013, an increase of $13.3 million, or 9.6%, compared to revenue of $138.7 million during the three months ended June 30, 2012. Portfolio revenue was $292.7 million during the six months ended June 30, 2013, an increase of $27.6 million, or 10.4%, compared to portfolio revenue of $265.1 million during the six months ended June 30, 2012. The increase in portfolio revenue during the three and six months ended June 30, 2013, was primarily the result of additional accretion revenue associated with a higher portfolio balance during the three and six months ended June 30, 2013 compared to the same periods of the prior year. During the three months ended June 30, 2013, we recorded a net portfolio allowance reversal of $3.7 million, compared to a net portfolio allowance reversal of $1.2 million during the three months ended June 30, 2012. During the six months ended June 30, 2013, we recorded a net portfolio allowance reversal of $4.7 million, compared to a net portfolio allowance reversal of $0.8 million during the six months ended June 30, 2012.

Net interest income from our tax lien business segment was $3.7 million and $7.3 million for the three and six months ended June 30, 2013. Net interest income from our tax lien business segment was $2.3 million for the period from acquisition (May 8, 2012) through June 30, 2012.

Operating Expenses

Total operating expenses were $126.2 million during the three months ended June 30, 2013, an increase of $23.4 million, or 22.8%, compared to total operating expenses of $102.8 million during the three months ended June 30, 2012.

Total operating expenses were $232.1 million during the six months ended June 30, 2013, an increase of $37.9 million, or 19.5%, compared to total operating expenses of $194.2 million during the six months ended June 30, 2012.

Operating expenses are explained in more detail as follows:

Salaries and employee benefits

Salaries and employee benefits increased $7.8 million, or 30.9%, to $33.0 million during the three months ended June 30, 2013, from $25.2 million during the three months ended June 30, 2012. The increase was primarily the result of increases in headcount and related compensation expense to support the growth in our portfolio purchasing and recovery business, the AACC Merger, and the acquisition of Propel. Salaries and employee benefits related to our internal legal channel were approximately $3.2 million and $1.6 million for the three months ended June 30, 2013 and 2012, respectively.

Salaries and employee benefits increased $14.3 million, or 30.1%, to $61.8 million during the six months ended June 30, 2013, from $47.5 million during the six months ended June 30, 2012. The increase was primarily the result of increases in headcount and related compensation expense to support the growth in our portfolio purchasing and recovery business, the AACC Merger, and the acquisition of Propel. Salaries and employee benefits related to our internal legal channel were approximately $6.0 million and $2.9 million for the six months ended June 30, 2013 and 2012, respectively.

Salaries and employee benefits broken down between the reportable segments are as follows *(in thousands)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Salaries and employee benefits:				
Portfolio purchasing and recovery	$ 31,534	$ 24,502	$ 58,948	$ 46,806
Tax lien business	1,435	688	2,853	688
	$ 32,969	$ 25,190	$ 61,801	$ 47,494

Cost of legal collections – Portfolio purchasing and recovery

The cost of legal collections increased $3.5 million, or 8.4%, to $44.5 million during the three months ended June 30, 2013, compared to $41.0 million during the three months ended June 30, 2012. These costs represent contingent fees paid to our nationwide network of attorneys and costs of litigation. The increase in the cost of legal collections was primarily the result of an increase of $18.8 million, or 16.4%, in gross collections through our legal channel. Gross legal collections were $133.7 million during the three months ended June 30, 2013, up from $114.9 million collected during the three months ended June 30, 2012. The cost of legal collections, decreased as a percentage of gross collections through this channel to 33.3% during the three months ended June 30, 2013 from 35.7% during the same period in the prior year. This decrease was primarily due to increased collections in our internal legal channel for which we do not pay a commission.

The cost of legal collections increased $7.0 million, or 8.9%, to $86.7 million during the six months ended June 30, 2013, compared to $79.7 million during the six months ended June 30, 2012. The increase in the cost of legal collections was primarily the result of an increase of $31.6 million, or 14.0%, in gross collections through our legal channel. Gross legal collections were $256.0 million during the six months ended June 30, 2013, up from $224.4 million collected during the six months ended June 30, 2012. The cost of legal collections, decreased as a percentage of gross collections through this channel to 33.9% during the six months ended June 30, 2013 from 35.5% during the same period in the prior year. This decrease was primarily due to increased collections in our internal legal channel for which we do not pay a commission.

The following table summarizes our legal collection channel performance and related direct costs *(in thousands, except percentages)*:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2013		2012		2013		2012	
Collections:								
Collections – legal outsourcing	$ 116,936	87.5%	$ 110,552	96.2%	$ 229,578	89.7%	$ 217,254	96.8%
Collections – internal legal	16,746	12.5%	4,324	3.8%	26,377	10.3%	7,194	3.2%
Total collections – legal networks	$ 133,682	100.0%	$ 114,876	100.0%	$ 255,955	100.0%	$ 224,448	100.0%
Costs:								
Commissions – legal outsourcing	$ 30,340	25.9%	$ 28,273	25.6%	$ 59,150	25.8%	$ 55,840	25.7%
Court cost expense – legal outsourcing [1]	9,344		10,694		19,359		19,941	
Court cost expense – internal legal [1]	3,915		1,465		6,430		2,707	
Other[2]	884		592		1,802		1,171	
Total direct costs – legal networks[3]	$ 44,483	33.3%	$ 41,024	35.7%	$ 86,741	33.9%	$ 79,659	35.5%

(1) We advance certain out-of-pocket court costs and capitalize these costs in our consolidated financial statements and provide a reserve and corresponding court cost expense for the costs that we believe will be ultimately uncollectible. This amount includes changes in our anticipated recovery rate of court costs expensed.
(2) Other costs consist of costs related to counter claims and legal network subscription fees.
(3) Total direct costs – legal networks do not include internal legal channel employee salaries and benefits, and other related direct operating expenses.

Other operating expenses

Other operating expenses increased $1.4 million, or 11.0%, to $13.8 million during the three months ended June 30, 2013, from $12.4 million during the three months ended June 30, 2012. The increase was primarily the result of an increase of $0.7 million in telephone expenses, an increase in Propel's other operating expenses of $0.5 million due to a full quarter of their expenses compared to a partial quarter in 2012 (from the acquisition date of May 8, 2012 through June 30, 2012), and a net increase in various other operating expenses of $0.2 million, primarily to support our growth.

Other operating expenses increased $3.0 million, or 12.6%, to $27.0 million during the six months ended June 30, 2013, from $24.0 million during the six months ended June 30, 2012. The increase was primarily the result of an increase in Propel other operating expenses of $1.5 million due to a full six months of their expenses compared to a partial period in 2012 (from the acquisition date of May 8, 2012 through June 30, 2012), an increase of $1.0 million in telephone expenses, and a net increase in various other operating expenses of $0.5 million, primarily to support our growth.

Other operating expenses broken down between the reportable segments are as follows *(in thousands)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Other operating expenses:				
Portfolio purchasing and recovery	$ 12,681	$ 11,857	$ 24,992	$ 23,455
Tax lien transfer	1,116	570	2,070	570
	$ 13,797	$ 12,427	$ 27,062	$ 24,025

Collection agency commissions – Portfolio purchasing and recovery

During the three months ended June 30, 2013, we incurred $5.2 million in commissions to third party collection agencies, or 18.8% of the related gross collections of $27.9 million, compared to $4.2 million in commissions, or 29.7%, of the related gross collections of $14.0 million, during the three months ended June 30, 2012. During the three months ended June 30, 2013, we experienced an increase in collection agency collections as a result of increased purchases of bankruptcy portfolios, which are primarily serviced by an outside service provider. During the period, the commission rate decreased as compared to the prior year due to bankruptcy commission rates being lower than commission rates on non-bankruptcy portfolios.

During the six months ended June 30, 2013, we incurred $8.6 million in commissions to third party collection agencies, or 17.4% of the related gross collections of $49.2 million, compared to $8.1 million in commissions, or 31.7%, of the related gross collections of $25.6 million, during the six months ended June 30, 2012. As discussed above, the decrease in the net commission rate as a percentage of the related gross collections was primarily due to the lower commission rates on purchased bankruptcy receivable portfolios.

General and administrative expenses

General and administrative expenses increased $9.0 million, or 48.5%, to $27.6 million during the three months ended June 30, 2013, from $18.6 million during the three months ended June 30, 2012. The increase was the result of an increase in acquisition and integration related costs of $5.4 million, an increase in IT consulting and other IT expenses of $0.8 million, an increase in building rent of $0.7 million, an increase in general and administrative expenses related to Propel of $0.5 million due to a full quarter of their expenses compared to a partial quarter in 2012 (from the acquisition date of May 8, 2012 through June 30, 2012), and a net increase in other general and administrative expenses of $1.6 million.

General and administrative expenses increased $11.7 million, or 36.3%, to $43.9 million during the six months ended June 30, 2013, from $32.2 million during the three months ended June 30, 2012. The increase was the result of an increase in acquisition related costs of $6.2 million, an increase in IT consulting and other IT expenses of $3.0 million, an increase in building rent of $1.1 million, an increase in general and administrative expenses related to Propel of $1.1 million due to a full six months of their expenses compared to a partial period in 2012 (from the acquisition date of May 8, 2012 through June 30, 2012), and a net increase in other general and administrative expenses of $0.3 million.

General and administrative expenses broken down between the reportable segments are as follows *(in thousands)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
General and administrative expenses:				
Portfolio purchasing and recovery	$ 26,864	$ 18,327	$ 42,556	$ 31,985
Tax lien business	737	255	1,387	255
	$ 27,601	$ 18,582	$ 43,943	$ 32,240

Depreciation and amortization

Depreciation and amortization expense increased $0.8 million, or 52.0%, to $2.2 million during the three months ended June 30, 2013, from $1.4 million during the three months ended June 30, 2012. Depreciation and amortization expense increased $1.3 million, or 50.5%, to $4.0 million during the six months ended June 30, 2013, from $2.7 million during the six months ended June 30, 2012. The increases during the three and six months ended June 30, 2013 were primarily related to increased depreciation expenses resulting from our acquisition of fixed assets in recent periods.

Cost per Dollar Collected – Portfolio purchasing and recovery

The following tables summarize our cost per dollar collected *(in thousands, except percentages)*:

	Three Months Ended June 30,							
	2013				2012			
	Collections	Cost	Cost Per Channel Dollar Collected	Cost Per Total Dollar Collected	Collections	Cost	Cost Per Channel Dollar Collected	Cost Per Total Dollar Collected
Collection sites[1]	$ 116,853	$ 7,173	6.1%	2.6%	$ 111,641	$ 6,649	6.0%	2.8%
Legal outsourcing	116,936	40,309	34.5%	14.5%	110,552	39,559	35.8%	16.5%
Internal legal[2]	16,746	9,132	54.5%	3.3%	4,324	3,696	85.5%	1.5%
Collection agency outsourcing	27,853	5,230	18.8%	1.9%	14,043	4,166	29.7%	1.7%
Other indirect costs[3]	—	46,308	—	16.6%	—	40,913	—	17.0%
Total	$ 278,388	$ 108,152[4]		38.8%	$ 240,560	$ 94,983[4]		39.5%

	Six Months Ended June 30,							
	2013				2012			
	Collections	Cost	Cost Per Channel Dollar Collected	Cost Per Total Dollar Collected	Collections	Cost	Cost Per Channel Dollar Collected	Cost Per Total Dollar Collected
Collection sites[1]	$ 243,415	$ 14,416	5.9%	2.6%	$ 221,511	$ 13,125	5.9%	2.8%
Legal outsourcing	229,578	80,051	34.9%	14.6%	217,254	76,952	35.4%	16.3%
Internal legal[2]	26,377	15,699	59.5%	2.9%	7,194	6,775	94.2%	1.4%
Collection agency outsourcing	49,188	8,559	17.4%	1.6%	25,629	8,125	31.7%	1.7%
Other indirect costs[3]	—	88,000	—	16.0%	—	78,645	—	16.7%
Total	$ 548,558	$ 206,725[4]		37.7%	$ 471,588	$ 183,622[4]		38.9%

(1) Cost in collection sites represents only account managers and their supervisors' salaries, variable compensation, and employee benefits.
(2) Cost in internal legal channel represents court cost expensed, internal legal channel employee salaries and benefits, and other related direct operating expenses.
(3) Other indirect costs represent non-collection site salaries and employee benefits, general and administrative expenses, other operating expenses and depreciation and amortization.
(4) Represents all operating expenses, excluding stock-based compensation expense, tax lien business segment operating expenses, one-time charges, and acquisition related expenses. We include this information in order to facilitate a comparison of approximate cash costs to cash collections for the debt purchasing business in the periods presented. Refer to the "Non-GAAP Disclosure" section for further details.

During the three months ended June 30, 2013, cost per dollar collected decreased by 70 basis points to 38.8% of gross collections from 39.5% of gross collections during the three months ended June 30, 2012. This decrease was due to several factors, including:

- The cost from our collection sites, which includes account manager salaries, variable compensation, and employee benefits, as a percentage of total collections, decreased slightly to 2.6% during the three months ended June 30, 2013, from 2.8% during the three months ended June 30, 2012 and, as a percentage of our site collections, remained relatively consistent compared to the same period of 2012. The slight decrease in cost as a percentage of total collections, through our collection sites, was primarily due to the lower purchasing volumes in the first and second quarters of 2013. In anticipation of the large portfolio acquired as part of the AACC Merger, we deliberately reduced our purchasing volumes in the first half of 2013.

- The cost of legal collections through our legal outsourcing channel, as a percentage of total collections, decreased to 14.5% during the three months ended June 30, 2013, from 16.5% during the three months ended June 30, 2012 and, as a percentage of channel collections, decreased to 34.5% from 35.8% compared to the same period of 2012. These decreases were primarily related to improvements in our ability to more accurately and consistently identify those consumers with the financial means to repay their obligations. These improvements resulted in an increase in our court cost recovery rate and an offsetting decrease in court cost expense.

- Other costs not directly attributable to specific channel collections (other indirect costs), as a percentage of total

collections, decreased 40 basis points, to 16.6% for the three months ended June 30, 2013, from 17.0% for the three months ended June 30, 2012. These costs include non-collection site salaries and employee benefits, general and administrative expenses, other operating expenses, and depreciation and amortization. The decrease in cost per dollar collected was due to collections increasing at a rate faster than the increase in other indirect costs as we continue to leverage our indirect costs over a larger base of collections.

The decrease in cost per dollar collected was partially offset by:

- The cost of legal collections through our internal legal channel, as a percentage of total collections, increased to 3.3% during the three months ended June 30, 2013, from 1.5% during the three months ended June 30, 2012 and, as a percentage of channel collections, decreased to 54.5% during the three months ended June 30, 2013, from 85.5% during the three months ended June 30, 2012. The increase in cost as a percentage of total collections through our internal legal channel was primarily due to increased collections from this channel as a percentage of total collections. The decrease in cost as a percentage of channel collections was primarily due to increased productivity as we continue to ramp up our internal legal platform.
- Collection agency commissions, as a percentage of total collections, increased slightly to 1.9% during the three months ended June 30, 2013, from 1.7% during the same period in the prior year. Our collection agency commission rate decreased to 18.8% during the three months ended June 30, 2013, from 29.7% during the same period in the prior year. During the three months ended June 30, 2013, we experienced an increase in collection agency collections as a result of increased purchases of bankruptcy portfolios, which are primarily serviced by an outside service provider. During the same period, the commission rate decreased as compared to the prior year, primarily due to bankruptcy commission rates being lower than commission rates on non-bankruptcy portfolios.

During the six months ended June 30, 2013, cost per dollar collected decreased by 120 basis points to 37.7% of gross collections from 38.9% of gross collections during the six months ended June 30, 2012. This decrease was due to several factors, including:

- The cost from our collection sites, which includes account manager salaries, variable compensation, and employee benefits, as a percentage of total collections, decreased slightly to 2.6% during the six months ended June 30, 2013, from 2.8% during the six months ended June 30, 2012 and, as a percentage of our site collections, remained relatively consistent compared to the same period of 2012. The slight decrease in cost as a percentage of total collections, through our collection sites, was primarily due to the lower purchasing volumes in the first and second quarters of 2013. In anticipation of the large portfolio acquired as part of the AACC Merger, we deliberately reduced our purchasing volumes in the first half of 2013.
- The cost of legal collections through our legal outsourcing channel, as a percentage of total collections, decreased to 14.6% during the six months ended June 30, 2013, from 16.3% during the six months ended June 30, 2012 and, as a percentage of channel collections, decreased to 34.9% from 35.4% compared to the same period of 2012. These decreases were primarily related to improvements in our ability to more accurately and consistently identify those consumers with the financial means to repay their obligations. These improvements resulted in an increase in our court cost recovery rate and an offsetting decrease in court cost expense.
- Collection agency commissions, as a percentage of total collections, decreased slightly to 1.6% during the six months ended June 30, 2013, from 1.7% during the same period in the prior year. Our collection agency commission rate decreased to 17.4% during the six months ended June 30, 2013, from 31.7% during the same period in the prior year. During the six months ended June 30, 2013, we experienced an increase in collection agency collections as a result of increased purchases of bankruptcy portfolios, which are primarily serviced by an outside service provider. During the same period, the commission rate decreased as compared to the prior year, primarily due to bankruptcy commission rates being lower than commission rates on non-bankruptcy portfolios.
- Other indirect costs as a percentage of total collections, decreased 70 basis points, to 16.0% for the six months ended June 30, 2013, from 16.7% for the six months ended June 30, 2012. These costs include non-collection site salaries and employee benefits, general and administrative expenses, other operating expenses, and depreciation and amortization. The decrease in cost per dollar collected was due to collections increasing at a rate faster than the increase in other indirect costs as we continue to leverage our indirect costs over a larger base of collections.

The decrease in cost per dollar collected was partially offset by:

- The cost of legal collections through our internal legal channel, as a percentage of total collections, increased to 2.9% during the six months ended June 30, 2013, from 1.4% during the six months ended June 30, 2012 and, as a percentage of channel collections, decreased to 59.5% during the six months ended June 30, 2013, from 94.2% during the six months ended June 30, 2012. The increase in cost of total collections through our internal legal channel was primarily due to increased collections from this channel as a percentage of total collections. The decrease in cost of channel collections was primarily due to increased productivity as we continue to ramp up our internal legal platform.

Prior to the AACC Merger, AACC's cost per dollar collected had historically been higher than our cost per dollar collected. Therefore, we initially expect an increase in the cost per dollar collected of our combined organizations. We expect our combined organization to be operated at our lower cost-to-collect within the next three to four quarters.

Interest Expense – Portfolio purchasing and recovery

Interest expense increased $1.0 million, or 15.2%, to $7.5 million during the three months ended June 30, 2013, from $6.5 million during the three months ended June 30, 2012. Interest expense increased $2.3 million, or 19.3%, to $14.3 million during the six months ended June 30, 2013, from $12.0 million during the six months ended June 30, 2012.

The following table summarizes our interest expense (*in thousands, except percentages*):

	Three Months Ended June 30,			
	2013	2012	$ Change	% Change
Stated interest on debt obligations	$ 5,759	$ 5,932	$ (173)	(2.9)%
Amortization of loan fees and other loan costs	1,012	565	447	79.1%
Amortization of debt discount—convertible notes	711	—	711	—
Total interest expense	$ 7,482	$ 6,497	$ 985	15.2%

	Six Months Ended June 30,			
	2013	2012	$ Change	% Change
Stated interest on debt obligations	$ 11,237	$ 10,981	$ 256	2.3%
Amortization of loan fees and other loan costs	1,782	1,031	751	72.8%
Amortization of debt discount—convertible notes	1,317	—	1,317	—
Total interest expense	$ 14,336	$ 12,012	$ 2,324	19.3%

The increase in interest expense for the three and six months ended June 30, 2013 was primarily due to higher outstanding debt balances and increased amortization of debt discount and loan fees related to our convertible senior notes.

Provision for Income Taxes

During the three months ended June 30, 2013, we recorded an income tax provision of $7.3 million, reflecting an effective rate of 39.8% of pretax income from continuing operations. The effective tax rate for the three months ended June 30, 2013 primarily consisted of a provision for federal income taxes of 32.7% (which is net of a benefit for state taxes of 2.3%), a blended provision for state taxes of 6.6%, and a provision due to permanent book and tax difference of 0.5%.

During the three months ended June 30, 2012, we recorded an income tax provision of $12.8 million, reflecting an effective rate of 40.4% of pretax income from continuing operations. The effective tax rate for the three months ended June 30, 2012 primarily consisted of a provision for federal income taxes of 32.7% (which is net of a benefit for state taxes of 2.3%), a blended provision for state taxes of 6.5%, and a provision due to the true-up of certain state and federal tax accounts of 1.2%.

During the six months ended June 30, 2013, we recorded an income tax provision of $19.8 million, reflecting an effective rate of 39.4% of pretax income from continuing operations. The effective tax rate for the six months ended June 30, 2013 primarily consisted of a provision for federal income taxes of 32.7% (which is net of a benefit for state taxes of 2.3%), a provision for state taxes of 6.6%, and a provision due to permanent book and tax difference of 0.1%.

During the six months ended June 30, 2012, we recorded an income tax provision of $24.5 million, reflecting an effective rate of 39.8% of pretax income from continuing operations. The effective tax rate for the six months ended June 30, 2012 primarily consisted of a provision for federal income taxes of 32.7% (which is net of a benefit for state taxes of 2.3%), a provision for state taxes of 6.5%, and a provision due to the true-up of certain state and federal tax accounts of 0.6%.

Supplemental Performance Data – Portfolio purchasing and recovery

Cumulative Collections to Purchase Price Multiple

The following table summarizes our purchases and related gross collections by year of purchase (in thousands, except multiples):

Year of Purchase	Purchase Price[1]	Cumulative Collections through June 30, 2013												
		<2004	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total[2]	CCM[3]
Charged-off consumer receivables:														
<1999	$ 41,117	$133,727	$ 4,202	$ 2,042	$ 1,513	$ 989	$ 501	$ 406	$ 296	$ 207	$ 128	$ 58	$ 144,069	3.5
1999	48,712	76,104	8,654	5,157	3,513	1,954	1,149	885	590	487	345	133	98,971	2.0
2000	6,153	21,580	2,293	1,323	1,007	566	324	239	181	115	103	61	27,792	4.5
2001	38,185	108,453	28,551	20,622	14,521	5,644	2,984	2,005	1,411	1,139	991	395	186,716	4.9
2002	61,490	118,549	62,282	45,699	33,694	14,902	7,922	4,778	3,575	2,795	1,983	942	297,121	4.8
2003	88,496	59,038	86,958	69,932	55,131	26,653	13,897	8,032	5,871	4,577	3,582	1,574	335,245	3.8
2004	101,316	—	39,400	79,845	54,832	34,625	19,116	11,363	8,062	5,860	4,329	1,834	259,266	2.6
2005	192,585	—	—	66,491	129,809	109,078	67,346	42,387	27,210	18,651	12,669	5,159	478,800	2.5
2006	141,027	—	—	—	42,354	92,265	70,743	44,553	26,201	18,306	12,825	5,136	312,383	2.2
2007	204,066	—	—	—	—	68,048	145,272	111,117	70,572	44,035	29,619	11,400	480,063	2.4
2008	227,785	—	—	—	—	—	69,049	165,164	127,799	87,850	59,507	23,782	533,151	2.3
2009	253,314	—	—	—	—	—	—	96,529	206,773	164,605	111,569	45,000	624,476	2.5
2010	346,090	—	—	—	—	—	—	—	125,465	284,541	215,088	84,426	709,520	2.1
2011	382,864	—	—	—	—	—	—	—	—	122,224	300,536	127,706	550,466	1.4
2012	476,731	—	—	—	—	—	—	—	—	—	186,472	180,634	367,106	0.8
2013	441,530	—	—	—	—	—	—	—	—	—	—	39,100	39,100	0.1
Subtotal	$3,051,461	$517,451	$232,340	$291,111	$336,374	$354,724	$398,303	$487,458	$604,006	$755,392	$939,746	$527,340	$5,444,245	1.8
Purchased bankruptcy receivables:														
2010	$ 11,975	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 388	$ 4,247	$ 5,598	$ 3,190	$ 13,423	1.1
2011	1,642	—	—	—	—	—	—	—	—	1,372	1,413	599	3,384	2.1
2012	83,445	—	—	—	—	—	—	—	—	—	1,249	16,631	17,880	0.2
2013	39,985	—	—	—	—	—	—	—	—	—	—	798	798	0.0
Subtotal	$ 137,047	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 388	$ 5,619	$ 8,260	$ 21,218	$ 35,485	0.3
Total	$3,188,508	$517,451	$232,340	$291,111	$336,374	$354,724	$398,303	$487,458	$604,394	$761,011	$948,006	$548,558	$5,479,730	1.7

(1) Adjusted for put-backs and account recalls. Put-backs represent accounts that are returned to the seller in accordance with the respective purchase agreement ("Put-Backs"). Recalls represent accounts that are recalled by the seller in accordance with the respective purchase agreement ("Recalls").

(2) Cumulative collections from inception through June 30, 2013, excluding collections on behalf of others.

(3) Cumulative Collections Multiple ("CCM") through June 30, 2013—collections as a multiple of purchase price.

Total Estimated Collections to Purchase Price Multiple

The following table summarizes our purchases, resulting historical gross collections, and estimated remaining gross collections by year of purchase *(in thousands, except multiples)*:

	Purchase Price[1]	Historical Collections[2]	Estimated Remaining Collections[3]	Total Estimated Gross Collections	Total Estimated Gross Collections to Purchase Price
Charged-off consumer receivables:					
<2006	$ 578,054	$ 1,827,980	$ 9,027	$ 1,837,007	3.2
2006	141,027	312,383	9,469	321,852	2.3
2007	204,066	480,063	24,535	504,598	2.5
2008	227,785	533,151	61,081	594,232	2.6
2009	253,314	624,476	126,044	750,520	3.0
2010	346,090	709,520	262,992	972,512	2.8
2011	382,864	550,466	402,344	952,810	2.5
2012	476,731	367,106	609,172	976,278	2.0
2013	441,530	39,100	1,088,634	1,127,734	2.6

Subtotal	$ 3,051,461	$ 5,444,245	$ 2,593,298	$ 8,037,543	2.6
Purchased bankruptcy receivables:					
2010	$ 11,975	$ 13,423	$ 9,386	$ 22,809	1.9
2011	1,642	3,384	769	4,153	2.5
2012	83,445	17,880	80,225	98,105	1.2
2013	39,985	798	57,233	58,031	1.5
Subtotal	$ 137,047	$ 35,485	$ 147,613	$ 183,098	1.3
Total	$ 3,188,508	$ 5,479,730	$ 2,740,911	$ 8,220,641	2.6

(1) Adjusted for Put-Backs and Recalls.
(2) Cumulative collections from inception through June 30, 2013, excluding collections on behalf of others.
(3) Estimated remaining collections for charged off consumer receivables includes $102.7 million related to accounts that converted to bankruptcy after purchase.

Estimated Remaining Gross Collections by Year of Purchase

The following table summarizes our estimated remaining gross collections by year of purchase *(in thousands)*:

	Estimated Remaining Gross Collections by Year of Purchase[1], [2]										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	>2022	Total
Charged-off consumer receivables:											
<2006	$ 3,949	$ 3,817	$ 1,256	$ 5	$ —	$ —	$ —	$ —	$ —	$ —	$ 9,027
2006	3,375	3,998	1,492	604	—	—	—	—	—	—	9,469
2007	8,437	9,206	3,844	2,065	983	—	—	—	—	—	24,535
2008	16,036	21,601	12,739	6,142	3,236	1,327	—	—	—	—	61,081
2009	27,224	40,600	26,861	16,323	8,502	4,698	1,836	—	—	—	126,044
2010	51,937	79,029	57,008	34,102	21,446	10,154	6,565	2,751	—	—	262,992
2011	80,393	126,006	83,805	51,435	29,516	15,947	7,920	5,307	2,015	—	402,344
2012	116,281	191,344	124,455	75,122	44,489	25,577	15,083	8,646	6,141	2,034	609,172
2013	133,173	298,020	233,624	152,604	99,315	67,270	46,271	28,165	17,053	13,139	1,088,634
Subtotal	$440,805	$ 773,621	$545,084	$338,402	$ 207,487	$124,973	$ 77,675	$ 44,869	$ 25,209	$ 15,173	$ 2,593,298
Purchased bankruptcy receivables:											
2010	$ 2,504	$ 3,847	$ 2,372	$ 663	$ —	$ —	$ —	$ —	$ —	$ —	$ 9,386
2011	428	234	64	40	3	—	—	—	—	—	769
2012	13,369	24,593	20,032	13,040	6,984	2,207	—	—	—	—	80,225
2013	8,726	19,465	16,482	9,547	2,891	122	—	—	—	—	57,233
Subtotal	$ 25,027	$ 48,139	$ 38,950	$ 23,290	$ 9,878	$ 2,329	$ —	$ —	$ —	$ —	$ 147,613
Total	$465,832	$ 821,760	$584,034	$361,692	$217,365	$127,302	$ 77,675	$ 44,869	$ 25,209	$ 15,173	$ 2,740,911

(1) Estimated remaining collections for Zero Basis Portfolios can extend beyond our collection forecasts.
(2) Estimated remaining collections for charged off consumer receivables includes $102.7 million related to accounts that converted to bankruptcy after purchase.

Unamortized Balances of Portfolios

The following table summarizes the remaining unamortized balances of our purchased receivable portfolios by year of purchase *(in thousands, except percentages)*:

	Unamortized Balance as of June 30, 2013	Purchase Price[1]	Unamortized Balance as a Percentage of Purchase Price	Unamortized Balance as a Percentage of Total
Charged-off consumer receivables:				
2006	$ 4,856	$ 141,027	3.4%	0.5%
2007	7,333	204,066	3.6%	0.7%
2008	24,565	227,785	10.8%	2.5%
2009	30,658	253,314	12.1%	3.1%
2010	65,969	346,090	19.1%	6.7%
2011	138,335	382,864	36.1%	14.1%
2012	288,435	476,731	60.5%	29.4%
2013	421,942	441,530	95.6%	43.0%
Subtotal	$ 982,093	$ 2,473,407	39.7%	100.0%
Purchased bankruptcy receivables:				
2010	$ 5,464	$ 11,975	45.6%	4.8%
2011	127	1,642	7.7%	0.1%

2012	69,161	83,445	82.9%	60.3%
2013	39,853	39,985	99.7%	34.8%
Subtotal	$ 114,605	$ 137,047	83.6%	100.0%
Total	$ 1,096,698	$ 2,610,454	42.0%	

(1) Purchase price refers to the cash paid to a seller to acquire a portfolio less Put-Backs, plus an allocation of our forward flow asset (if applicable), and less the purchase price for accounts that were sold at the time of purchase to another debt purchaser.

Changes in the Investment in Receivable Portfolios

Revenue related to our investment in receivable portfolios comprises two groups. First, revenue from those portfolios that have a remaining book value and are accounted for on the accrual basis ("Accrual Basis Portfolios"), and second, revenue from those portfolios that have fully recovered their book value ("Zero Basis Portfolios") and, therefore, every dollar of gross collections is recorded entirely as Zero Basis Revenue. If the amount and timing of future cash collections on a pool of receivables are not reasonably estimable, we account for such portfolios on the cost recovery method ("Cost Recovery Portfolios"). No revenue is recognized on Cost Recovery Portfolios until the cost basis has been fully recovered, at which time they become Zero Basis Portfolios.

The following tables summarize the changes in the balance of the investment in receivable portfolios and the proportion of revenue recognized as a percentage of collections *(in thousands, except percentages):*

	Three Months Ended June 30, 2013			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 801,525	$ —	$ —	$ 801,525
Purchases of receivable portfolios[1]	423,113	—	—	423,113
Transfer of portfolios	(6,649)	6,649	—	—
Gross collections[2]	(269,710)	(842)	(7,836)	(278,388)
Put-backs and recalls	(1,543)	(31)	(2)	(1,576)
Revenue recognized	143,607	—	4,743	148,350
Portfolio allowances reversals, net	579	—	3,095	3,674
Balance, end of period	$ 1,090,922	$ 5,776	$ —	$ 1,096,698
Revenue as a percentage of collections[3]	53.2%	0.0%	60.5%	53.3%

	Three Months Ended June 30, 2012			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 741,580	$ —	$ —	$ 741,580
Purchases of receivable portfolios[1]	230,983	—	—	230,983
Gross collections[2]	(233,437)	—	(7,107)	(240,544)
Put-backs and recalls	(891)	—	—	(891)
Revenue recognized	131,443	—	6,126	137,569
Portfolio allowances reversals, net	181	—	981	1,162
Balance, end of period	$ 869,859	$ —	$ —	$ 869,859
Revenue as a percentage of collections[3]	56.3%	0.0%	86.2%	57.2%

	Six Months Ended June 30, 2013			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 873,119	$ —	$ —	$ 873,119
Purchases of receivable portfolios[1]	481,884	—	—	481,884
Transfer of portfolios	(6,649)	6,649	—	—
Gross collections[2]	(534,269)	(842)	(13,447)	(548,558)
Put-backs and recalls	(2,421)	(31)	(2)	(2,454)
Revenue recognized	278,622	—	9,405	288,027
Portfolio allowances reversals, net	636	—	4,044	4,680
Balance, end of period	$ 1,090,922	$ 5,776	$ —	$ 1,096,698
Revenue as a percentage of collections[3]	52.2%	0.0%	69.9%	52.5%

	Six Months Ended June 30, 2012			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 716,454	$ —	$ —	$ 716,454
Purchases of receivable portfolios[1]	361,446	—	—	361,446
Gross collections[2]	(457,380)	—	(14,172)	(471,552)
Put-backs and recalls	(1,625)	—	—	(1,625)
Revenue recognized	252,189	—	12,158	264,347
(Portfolio allowances) portfolio allowance reversals, net	(1,225)	—	2,014	789
Balance, end of period	$ 869,859	$ —	$ —	$ 869,859
Revenue as a percentage of collections[3]	55.1%	0.0%	85.8%	56.1%

(1) Purchases of portfolio receivables for the three and six month periods ended June 30, 2013 include $381.2 million acquired in connection with the AACC Merger.
(2) Does not include amounts collected on behalf of others.
(3) Revenue as a percentage of collections excludes the effects of net portfolio allowances or net portfolio allowance reversals.

As of June 30, 2013, we had $1.1 billion in investment in receivable portfolios. This balance will be amortized based upon current projections of cash collections in excess of revenue applied to the principal balance. The estimated amortization of the investment in receivable portfolios balance is as follows *(in thousands):*

Year Ended December 31,	Charged-off Consumer Receivables	Purchased Bankruptcy Receivables	Total Amortization
2013[1]	$ 126,551	$ 16,165	$ 142,716
2014	270,978	35,153	306,131
2015	227,466	31,720	259,186
2016	147,721	20,482	168,203
2017	99,231	9,182	108,413
2018	60,638	1,904	62,542
2019	38,280	—	38,280
2020	11,227	—	11,227
Total	$ 982,092	$ 114,606	$ 1,096,698

(1) 2013 amount consists of six months data from July 1, 2013 to December 31, 2013.

Headcount by Function by Geographical Location

The following table summarizes our headcount by function by geographical location:

	Headcount as of June 30,			
	2013		2012	
	Domestic	International	Domestic	International
General & Administrative	1,115	635	521	487
Account Manager	442	1,338	215	1,382
Bankruptcy Specialist	—	—	—	73
	1,557	1,973	736	1,942

Gross Collections by Account Manager

The following table summarizes our collection performance by account manager *(in thousands, except headcount)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Gross collections—collection sites	$116,853	$111,641	$243,415	$221,511
Average active Account Manager	1,583	1,459	1,584	1,345
Collections per average active Account Manager[1]	$ 73.8	$ 76.5	$ 153.7	$ 164.7

(1) The decrease in collections per average active account manager is primarily driven by short-term ramp up cost as part of our long-term strategy in developing lower cost-to-collect international call centers, including our near-shore call center in Costa Rica. As we ramped up headcount in our international call centers, our overall collector productivity, as expected, has declined. Once we are fully ramped up and the new account managers become experienced, we expect productivity to move back towards previous levels.

Gross Collections per Hour Paid

The following table summarizes our gross collections per hour paid to account managers *(in thousands, except gross collections per hour paid)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Gross collections—collection sites	$116,853	$111,641	$243,415	$221,511
Total hours paid	719	611	1,447	1,154
Collections per hour paid[1]	$ 162.5	$ 182.7	$ 168.2	$ 192.0

(1) The decrease in collections per hour paid is primarily driven by short-term ramp up cost as part of our long-term strategy in developing lower cost-to-collect international call centers, including our near-shore call center in Costa Rica. As we ramped up headcount in our international call centers, our overall collector productivity, as expected, has declined. Once we are fully ramped up and the new account managers become experienced, we expect productivity to move back towards previous levels.

Collection Sites Direct Cost per Dollar Collected

The following table summarizes our gross collections in collection sites and the related direct cost *(in thousands, except percentages)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Gross collections—collection sites	$116,853	$111,641	$243,415	$221,511
Direct cost[1]	$ 7,173	$ 6,649	$ 14,416	$ 13,125
Cost per dollar collected	6.1%	6.0%	5.9%	5.9%

(1) Represent account managers and their supervisors' salaries, variable compensation, and employee benefits.

Salaries and Employee Benefits by Function

The following table summarizes our salaries and employee benefits by function (excluding stock-based compensation) *(in thousands)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Portfolio purchasing and recovery activities				
Collection site salaries and employee benefits[1]	$ 7,173	$ 6,649	$ 14,416	$ 13,125
Non-collection site salaries and employee benefits[2]	22,182	15,314	39,352	28,876
Subtotal	29,355	21,963	53,768	42,001
Tax lien business	1,435	688	2,853	688
	$ 30,790	$ 22,651	$ 56,621	$ 42,689

(1) Represent account managers and their supervisors' salaries, variable compensation, and employee benefits.
(2) Includes internal legal channel salaries and employee benefits of $3.2 million and $1.6 million for the three months ended June 30, 2013 and 2012, respectively, and internal legal channel salaries and employee benefits of $6.0 million and $2.9 million for the six months ended June 30, 2013 and 2012, respectively.

Purchases by Quarter

The following table summarizes the purchases we made by quarter, and the respective purchase prices (in thousands):

Quarter	# of Accounts	Face Value	Purchase Price
Q1 2010	839	$ 2,112,332	$ 81,632
Q2 2010	1,002	2,245,713	83,336
Q3 2010	1,101	2,616,678	77,889
Q4 2010	1,206	3,882,646	119,100
Q1 2011	1,243	2,895,805	90,675
Q2 2011	1,477	2,998,564	93,701
Q3 2011	1,633	2,025,024	65,731
Q4 2011	2,776	3,782,595	136,743
Q1 2012	2,132	2,902,409	130,463
Q2 2012	3,679	6,034,499	230,983
Q3 2012	1,037	1,052,191	47,311
Q4 2012	3,125	8,467,400	153,578
Q1 2013	1,678	1,615,214	58,771
Q2 2013[(1)]	23,887	68,906,743	423,113

(1) Includes $381.2 million of portfolios acquired with a face value of approximately $68.2 billion in connection with the AACC Merger.

Liquidity and Capital Resources

Historically, we have met our cash requirements by utilizing our cash flows from operations, bank borrowings, convertible debt offerings, and equity offerings. Our primary cash requirements have included the purchase of receivable portfolios, operating expenses, and the payment of interest and principal on bank borrowings and tax payments.

The following table summarizes our cash flows by category for the periods presented *(in thousands)*:

	Six Months Ended June 30,	
	2013	2012
Net cash provided by operating activities	$ 11,251	$ 44,605
Net cash used in investing activities	(202,723)	(347,806)
Net cash provided by financing activities	396,133	310,168

On May 9, 2013, we exercised the remaining $180.0 million of our accordion feature and entered into an amendment to our revolving credit facility and term loan facility (the "Credit Facility"), restating the Credit Facility in its entirety (the "Restated Credit Agreement"). The Restated Credit Amendment reset the accordion feature to $200.0 million and added new lenders. In conjunction with the amendment, we exercised $37.5 million of the new accordion feature. This $37.5 million exercise, when combined with the $180.0 million exercise, increased the aggregate revolving loan commitment by $217.5 million, from $595.0 million to $812.5 million. This combined $217.5 million exercise included a $168.9 million increase to the revolving credit facility tranche, increasing the aggregate revolving loan commitment to $613.9 million, and a $48.6 million term loan facility tranche, with a six-month maturity, expiring November 2013. Including the remaining accordion feature, the maximum amount that can be borrowed under the Credit Facility is $975.0 million.

The Restated Credit Agreement also allowed for the AACC Merger, included a basket to allow for investments in unrestricted subsidiaries and increased the subordinated debt basket to $300.0 million. On May 29, 2013, we entered into an amendment to the Restated Credit Agreement which, among other things, allowed the Company to consummate the Cabot Acquisition.

On May 9, 2013, in addition to its existing $160.0 million syndicated loan facility (the "Propel TLT Facility"), our subsidiary Propel entered into a $100.0 million revolving credit facility (the "Propel TLC Facility"). The Propel TLC Facility is used to purchase tax lien certificates from taxing authorities.

On June 24, 2013, we sold $150.0 million in aggregate principal amount of 3.00% convertible senior notes due July 1, 2020 in a private placement transaction. On July 18, 2013, the initial purchasers exercised, in full, their option to purchase an additional $22.5 million of the convertible senior notes, which resulted in an aggregate principal amount of $172.5 million of the convertible senior notes outstanding (collectively, the "2013 Convertible Notes").

Currently, all of our portfolio purchases are funded with cash from operations and borrowings under our Restated Credit Agreement. All of our tax lien transfers are funded with cash from Propel operations and borrowings under the Propel TLT Facility. All of our tax lien certificate purchases are funded with cash from Propel operations and borrowings under the Propel TLC Facility. See Note 11 "Debt" to our unaudited condensed consolidated financial statements for a further discussion of our debt.

Share Repurchase Program

Subject to compliance with the Credit Agreement, we were authorized by our Board of Directors to repurchase up to $50.0 million of Encore's common stock. We repurchased the entire $50.0 million of common stock authorized under this program during the fourth quarter of 2012 and in January 2013.

Operating Cash Flows

Net cash provided by operating activities was $11.3 million and $44.6 million during the six months ended June 30, 2013 and 2012, respectively.

Cash provided by operating activities during the six months ended June 30, 2013, was primarily related to net income of $30.5 million and various non-cash add backs in operating activities and changes in operating assets and liabilities, net of an income tax payment of $40.5 million. Cash provided by operating activities during the six months ended June 30, 2012, was primarily related to net income of $28.0 million and a $10.4 million non-cash add back related to impairment charges for goodwill and identifiable intangible assets related to Ascension.

Investing Cash Flows

Net cash used in investing activities was $202.7 million and $347.8 million during the six months ended June 30, 2013 and 2012, respectively.

The cash flows used in investing activities during the six months ended June 30, 2013, were primarily related to cash paid for the AACC Merger, net of cash acquired of $293.3 million, receivable portfolio purchases (excluding the portfolios acquired from the

AACC Merger of $381.2 million) of $100.7 million, and originations of receivables secured by tax liens of $88.0 million, offset by gross collection proceeds applied to the principal of our receivable portfolios in the amount of $260.5 million and collections applied to our receivables secured by tax liens of $27.1 million. The cash flows used in investing activities during the six months ended June 30, 2012, were primarily related to receivable portfolio purchases of $361.4 million, cash paid for our Propel Acquisition, net of cash acquired of $186.0 million, offset by gross collection proceeds applied to the principal of our receivable portfolios in the amount of $207.2 million.

Capital expenditures for fixed assets acquired with internal cash flow were $5.3 million and $2.6 million for six months ended June 30, 2013 and 2012, respectively.

Financing Cash Flows

Net cash provided by financing activities was $396.1 million and $310.2 million during the six months ended June 30, 2013 and 2012, respectively.

The cash provided by financing activities during the six months ended June 30, 2013, reflects $514.1 million in borrowings under our Credit Facility, the Propel TLT and TLC Facilities, and $150.0 million in borrowings under of 2013 Convertible Senior Notes, offset by $228.2 million in repayments of amounts outstanding under our Credit Facility and the Propel TLT and TLC Facilities. The cash provided by financing activities during the six months ended June 30, 2012, reflects $383.4 million in borrowings under our Credit Facility and the Propel TLT Facility, including approximately $187.2 million borrowed for our acquisition of the Propel Entities, offset by $70.5 million in repayments of amounts outstanding under our Credit Facility.

We are in compliance with all covenants under our financing arrangements. We believe that we have sufficient liquidity to fund our operations for at least the next twelve months, given our expectation of continued positive cash flows from operations, our cash and cash equivalents of $222.2 million as of June 30, 2013 (approximately $174.6 million of the cash and cash equivalents were used to fund the Cabot Acquisition on July 1, 2013), our access to capital markets, and availability under our credit facilities.

Our future cash needs will depend on our acquisitions of portfolios and businesses. We used cash and borrowings under our Restated Credit Agreement and our 2013 Convertible Notes to fund the Cabot Acquisition on July 1, 2013.

Item 3 – Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency. At June 30, 2013, there had not been a material change in any of the foreign currency risk information disclosed in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Interest Rate. At June 30, 2013, there had not been a material change in the interest rate risk information disclosed in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Item 4 – Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the "SEC") and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and accordingly, management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on their most recent evaluation, as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act are effective.

Changes in Internal Control over Financial Reporting

Except as disclosed in the following paragraph, there was no change in our internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

As set forth above, we completed the AACC Merger during the second quarter of 2013. During the quarter, we began the process of integrating AACC's systems with our systems, including our financial reporting systems. We will continue to monitor and test the integrated systems as part of the integration process and management's annual evaluation of internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1 – Legal Proceedings

We are involved in disputes and legal actions from time to time in the ordinary course of business. We, along with others in our industry, are routinely subject to legal actions based on the FDCPA, comparable state statutes, the TCPA, state and federal unfair competition statutes, and common law causes of action. The violations of law alleged in these actions often include claims that we lack specified licenses to conduct our business, attempt to collect debts on which the statute of limitations has run, have made inaccurate assertions of fact in support of our collection actions and/or have acted improperly in connection with our efforts to contact consumers. These cases are frequently styled as supposed class actions.

On March 8, 2013, March 19, 2013 and March 20, 2013, three actions entitled *Shell v. Asset Acceptance Capital Corp., et. al.*, *Neumann v. Asset Acceptance Capital Corp., et. al.*, and *Jaluka v. Asset Acceptance Capital Corp. et. al.*, respectively, were filed in the Macomb County Circuit Court of the State of Michigan. On April 19, 2013, a fourth action entitled *Dix v. Asset Acceptance Capital Corp. et al* was filed in the Court of Chancery of the State of Delaware. These actions were brought by purported stockholders of Asset Acceptance Capital Corporation ("AACC") against us, AACC, and certain other named entities and individuals, and allege, among other things, that we have aided and abetted AACC's directors in breaching their fiduciary duties of care, loyalty and candor or disclosure owed to AACC stockholders. Plaintiffs in the actions sought, among other things, injunctive relief prohibiting consummation of the proposed acquisition, or rescission of the proposed acquisition (in the event the transaction has already been consummated), as well as costs and disbursements, including reasonable attorneys' and experts' fees, and other equitable or injunctive relief as the court may deem just and proper. The plaintiffs did not specify the dollar amount of damages sought in each action. On June 2, 2013, AACC entered into a Memorandum of Understanding (the "MOU") with the plaintiffs in the Michigan actions and Delaware action that sets forth the parties' agreement in principle for settlement. As explained in the MOU, without admitting any wrongdoing, AACC agreed to make certain additional disclosures related to the proposed merger, and to enter into a stipulation of settlement providing for the certification of a class, for settlement purposes only, that includes certain persons or entities who held shares of AACC common stock and the release of all asserted claims. Once the stipulation of settlement is approved by the Michigan court, which has yet to and may not occur, the attorneys for the class members intend to seek an award of attorneys' fees and costs incurred in a total amount not to exceed $550,000, which the defendants have agreed to not oppose.

Except as set forth above and as disclosed in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, there has been no material development in any of the legal proceedings disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012.

In certain legal proceedings, we may have recourse to insurance or third party contractual indemnities to cover all or portions of our litigation expenses, judgments, or settlements. In accordance with authoritative guidance, we record loss contingencies in our financial statements only for matters in which losses are probable and can be reasonably estimated. Where a range of loss can be reasonably estimated with no best estimate in the range, we record the minimum estimated liability. We continuously assess the potential liability related to our pending litigation and revise our estimates when additional information becomes available. As of June 30, 2013, we have no material reserves for litigation. Additionally, based on the current status of litigation matters, either the estimate of exposure is immaterial to our financial statements or an estimate cannot yet be determined. Our legal costs are recorded to expense as incurred.

Item 1A – Risk Factors

There is no material change in the information reported under "Part I—Item 1A—Risk Factors" contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and "Part II, Item 1A—Risk Factors" in our subsequent quarterly reports on Form 10-Q with the exception of the following:

We may fail to realize the anticipated benefits of the merger with AACC.

The success of the merger will depend on, among other things, our ability to realize anticipated cost savings and to combine our business and AACC's business in a manner that does not materially disrupt the existing business relationships of either company nor result in decreased revenues from any disruption in our business operations. The success of the merger will also depend upon the integration of employees, systems, operating procedures and information technologies, as well as the retention of key employees. If we are not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected, and any such events could adversely affect the value of our common stock.

It is possible that the integration process could result in the loss of key employees, the disruption of AACC's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with our third-party vendors and employees or to achieve the anticipated benefits of the merger.

Unanticipated costs relating to the merger with AACC could reduce our future earnings per share.

We believe that we have reasonably estimated the likely costs of integrating our operations with that of AACC, and the incremental costs of operating as a combined company. However, it is possible that unexpected transaction costs, such as taxes, fees or professional expenses or unexpected future operating expenses such as increased personnel costs or increased taxes, as well as other types of unanticipated adverse developments, could have a material adverse effect on the results of operations and financial condition of the combined company. If unexpected costs are incurred, the earnings per share of our common stock could be less than they would have been if the merger had not been completed.

We may not be able to manage our growth effectively, including the expansion of our foreign operations.

We have expanded significantly in recent years. Continued growth will place additional demands on our resources, and we cannot be sure that we will be able to manage our growth effectively. For example, continued growth could place strains on our management, operations, and financial resources that our infrastructure, facilities, and personnel may not be able to adequately support. In addition, the recent expansion of our foreign operations, including our recent acquisition of a controlling interest in United Kingdom and Ireland-based Cabot Credit Management Limited and our operations in India and Central and South America, subjects us to a number of additional risks and uncertainties, including:

- changes in international laws, including regulatory and compliance requirements that could affect our business;
- social, political or economic instability or recessions;
- fluctuations in foreign economies and currency exchange rates;
- difficulty in hiring, staffing and managing qualified and proficient local employees and advisors to run international operations;
- the difficulty of managing and operating an international enterprise, including difficulties in maintaining effective communications with employees due to distance, language and cultural barriers;
- potential disagreements with our business partners;
- differing labor regulations and business practices; and
- foreign tax consequences.

To support our growth and improve our international operations, we continue to make investments in infrastructure, facilities, and personnel in our operations; however, these additional investments may not be successful or our investments may not produce profitable results. If we cannot manage our growth effectively, our results of operations may be materially and adversely affected.

Risks Related to Our Convertible Notes

Our $115 million in aggregate principal amount of 3.0% convertible senior notes due November 27, 2017 (the "2012 Convertible Notes"), our $177.5 million in aggregate principal amount of 3.0% convertible senior notes due July 1, 2020 (the "2013 Convertible Notes" and together with the 2012 Convertible Notes, the "Convertible Notes") and the guarantee (the "Guarantee") of the 2013 Convertible Notes by our wholly owned subsidiary, Midland Credit Management, Inc. (the "Guarantor"), are effectively subordinated to our and the Guarantor's secured indebtedness to the extent of the value of the assets securing that indebtedness.

The Convertible Notes and the Guarantee will be effectively subordinated to claims of our and the Guarantor's secured creditors, respectively, to the value of the assets securing those claims. In the event of our bankruptcy, liquidation, reorganization or other winding up, our and the Guarantor's assets that secure indebtedness ranking senior in right of payment to the Convertible Notes and the Guarantee, which includes all current and future amounts outstanding under the Credit Facility, will be available to pay obligations on the Convertible Notes or make payments under the Guarantee only after the secured indebtedness has been repaid in full from these assets. There may not be sufficient assets remaining to pay amounts due on any or all of the Convertible Notes then outstanding or to fulfill obligations under the Guarantee. The indentures governing the Convertible Notes do not prohibit us from incurring additional senior indebtedness or secured indebtedness, nor do they prohibit any of our subsidiaries, including the Guarantor, from incurring additional liabilities.

As of June 30, 2013, our total consolidated indebtedness was approximately $1.1 billion, approximately $883.9 million of which was secured indebtedness, and our non-Guarantor subsidiaries had approximately $168.7 million of secured indebtedness. The Guarantor had approximately $648.9 million of secured indebtedness (including the guarantee of amounts outstanding under the Credit Facility) that would have been effectively senior to the Convertible Notes as of June 30, 2013. The amounts presented do not include the impact of borrowings under our Restated Credit Agreement subsequent to June 30, 2013 or the exercise of the $22.5 million initial purchaser's option under the 2013 Convertible Notes.

Our operations are conducted through, and substantially all of our consolidated assets are held by, our subsidiaries, and accordingly, we must rely on our subsidiaries to provide us with cash in order to pay amounts due on the Convertible Notes.

The Convertible Notes are our obligations exclusively. The Convertible Notes are not guaranteed by any of our subsidiaries other than the Guarantor, who has guaranteed the 2013 Convertible Notes. Our operations are conducted through, and substantially all of our consolidated assets are held by, our subsidiaries. Accordingly, our ability to service our indebtedness, including the Convertible Notes, depends on the results of operations of our subsidiaries and upon the ability of those subsidiaries to provide us with cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the Convertible Notes. Our subsidiaries are separate and distinct legal entities, and other than the Guarantor have no obligation, contingent or otherwise, to make payments on the Convertible Notes or to make any funds available for that purpose. In addition, dividends, loans or other distributions to us from our subsidiaries may be subject to contractual and other restrictions and are subject to other business considerations.

Federal and state laws allow courts, under certain circumstances, to void guarantees and require noteholders to return payments received from guarantors.

The 2013 Convertible Notes will be guaranteed by the Guarantor. The Guarantee may be subject to review under U.S. federal bankruptcy law and comparable provisions of state fraudulent conveyance laws if a bankruptcy or insolvency proceeding or a lawsuit is commenced by or on behalf of us or the Guarantor or by our unpaid creditors or the unpaid creditors of the Guarantor. Under these laws, a court could void the obligations under the Guarantee, subordinate the Guarantee of the 2013 Convertible Notes to the Guarantor's other debt or take other action detrimental to the holders of the 2013 Convertible Notes and the Guarantee, if, among other things, the Guarantor, at the time it incurred the indebtedness evidenced by its Guarantee:

- issued the Guarantee to delay, hinder or defraud present or future creditors;
- received less than reasonably equivalent value or fair consideration for issuing the Guarantee at the time it issued the Guarantee;
- was insolvent or rendered insolvent by reason of issuing the Guarantee;
- was engaged, or about to engage, in a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay as they mature.

In those cases where our solvency or the solvency of the Guarantor is a relevant factor, the measures of insolvency will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a party would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing indebtedness, including contingent liabilities, as they become absolute and mature; or
- it could not pay its indebtedness as it becomes due.

We cannot be sure as to the standard that a court would use to determine whether or not a party was solvent at the relevant time, or, regardless of the standard that the court uses, that the issuance of the Guarantee would not be voided or the Guarantee would not be subordinated to the Guarantor's other debt. If such a case were to occur, the Guarantee could also be subject to the claim that, since the Guarantee was incurred for our benefit and only indirectly for the benefit of the Guarantor, the obligations of the Guarantor were incurred for less than fair consideration.

Servicing our indebtedness requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial indebtedness.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Convertible Notes, or to make cash payments in connection with any conversion of the Convertible Notes depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our indebtedness and make necessary capital expenditures. If we are unable to generate adequate cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring indebtedness or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at that time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Recent and future regulatory actions and other events may adversely affect the trading price and liquidity of the Convertible Notes.

We expect that many investors in, and potential purchasers of, the Convertible Notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the Convertible Notes. Investors would typically implement such a strategy by selling short the common stock underlying the Convertible Notes and dynamically adjusting their short position while continuing to hold the Convertible Notes. Investors may also implement this type of strategy by entering into swaps on our common stock in lieu of or in addition to short selling the common stock.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, that may affect those engaging in short selling activity involving equity securities (including our common stock). These rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a "Limit Up-Limit Down" program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Act. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of, the Convertible Notes to effect short sales of our common stock or enter into swaps on our common stock could adversely affect the trading price and the liquidity of the Convertible Notes.

In addition, if investors and potential purchasers seeking to employ a convertible arbitrage strategy are unable to borrow or enter into swaps on our common stock, in each case on commercially reasonable terms, the trading price and liquidity of the Convertible Notes may be adversely affected.

Our common stock price may be subject to significant fluctuations and volatility, which could adversely affect the trading price of the Convertible Notes and our shares issuable upon conversion.

The market price of our common stock has been subject to significant fluctuations. Since the beginning of fiscal year 2013, our closing stock price has ranged from a low of $27.03 on April 22, 2013 to a high of $38.30 on June 13, 2013. These fluctuations could continue. Among the factors that could affect our stock price are:

- our operating and financial performance and prospects;
- our ability to repay our debt;
- our access to financial and capital markets to refinance our debt;
- investor perceptions of us and the industry and markets in which we operate;
- future sales of equity or equity-related securities;
- changes in earnings estimates or buy/sell recommendations by analysts;
- changes in the supply of, demand for or price of portfolios;
- our acquisition activity, including our expansion into new markets;
- regulatory changes affecting our industry generally or our business and operations; and
- general financial, domestic, international, economic and other market conditions.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated to the operating performance of companies. The market price of our common stock could fluctuate significantly for many reasons, including in response to the risks described in this section or elsewhere in our filings with the SEC including but not limited to those described in our Annual Report on Form 10-K under "Part I, Item 1A. Risk Factors" or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our customers, competitors or suppliers regarding their own performance, as well as industry conditions and general financial, economic and political instability. A decrease in the market price of our common stock would likely adversely affect the trading price of the Convertible Notes.

The price of our common stock could also be affected by possible sales of our common stock by investors who view the Convertible Notes as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that we expect to develop involving our common stock. This trading activity could, in turn, affect the trading prices of the Convertible Notes.

If securities or industry analysts have a negative outlook regarding our stock or our industry, or our operating results do not meet their expectations, our stock price could decline. The trading market for our common stock is influenced by the research and reports that industry or securities analysts publish about us. If one or more of the analysts who cover our company downgrade our stock or if our operating results do not meet their expectations, our stock price could decline.

Future sales of our common stock or the issuance of other equity may adversely affect the market price of our common stock.

A substantial number of shares of our common stock are reserved for issuance upon the exercise of stock options or vesting of restricted shares, upon conversion of the Convertible Notes and the warrant transactions entered into in connection with the 2012 Convertible Notes. Subject to restrictions we agreed to in connection with the issuance of the Convertible Notes, which restrictions have expired for the 2012 Convertible Notes and which restrictions will expire on September 22, 2013 for the 2013 Convertible Notes, we are not restricted from issuing additional common stock, including securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. The issuance of additional shares of our common stock or convertible securities, including our outstanding options and restricted shares, or otherwise, would dilute the ownership interest of our common stockholders.

The liquidity and trading volume of our common stock is limited. For the six months ended June 30, 2013, the average daily trading volume of our common stock was approximately 255,000 shares. Sales of a substantial number of shares of our common stock or other equity-related securities in the public market by us or others could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or other equity-related securities would have on the market price of our common stock.

Despite our current indebtedness levels, we may still incur substantially more indebtedness or take other actions which would intensify the risks discussed above.

Despite our current consolidated indebtedness levels, we and our subsidiaries (including the Guarantor) may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in our debt instruments, (some of which may be secured indebtedness under our Restated Credit Agreement). We will not be restricted under the terms of the indentures governing the Convertible Notes from incurring additional indebtedness, securing existing or future indebtedness, recapitalizing our indebtedness or taking a number of other actions that are not limited by the terms of the indentures governing the Convertible Notes that could have the effect of diminishing our ability to make payments on the Convertible Notes. The Credit Facility currently limits the ability of us and certain of our subsidiaries (including the Guarantor) to incur additional indebtedness; however, if that facility is repaid or matures, we may not be subject to similar restrictions under the terms of any subsequent indebtedness.

We may not have the ability to raise the funds necessary to repurchase the Convertible Notes upon a fundamental change or to settle conversions in cash, and our future indebtedness may contain limitations on our ability to pay cash upon conversion and our current indebtedness contains, and our future indebtedness may contain, limitations on our ability to repurchase the Convertible Notes.

Holders of the Convertible Notes will have the right to require us to repurchase their Convertible Notes upon the occurrence of a fundamental change at a repurchase price equal to 100% of their principal amount, plus accrued and unpaid interest, if any. In addition, upon a conversion of Convertible Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional shares of our common stock), we will be required to make cash payments for each $1,000 in principal amount of Convertible Notes converted of at least the lesser of $1,000 and the sum of certain daily conversion values. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Convertible Notes surrendered therefor or to settle conversions in cash. In addition, our Restated Credit Agreement contains certain restrictive covenants that limit our ability to engage in specified types of transactions, which may affect our ability to repurchase the Convertible Notes. Further, our ability to repurchase the Convertible Notes or to pay cash upon conversion may be limited by law, by regulatory authority or by agreements governing our future indebtedness. Our failure to repurchase Convertible Notes or to pay cash upon conversion of the Convertible Notes at a time when the repurchase or cash payment upon conversion is required by either indenture pursuant to which the Convertible Notes were offered would constitute a default under the relevant indenture. A default under either indenture could constitute a default under the other indenture or our Restated Credit Agreement, and any such default or the fundamental change itself could also lead to a default under the Restated Credit Agreement or agreements governing our future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Convertible Notes.

The conditional conversion feature of the Convertible Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the Convertible Notes is triggered, holders of the Convertible Notes will be entitled to convert the Convertible Notes at any time during specified periods at their option. Even if holders do not elect to convert their Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the relevant series of Convertible Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The accounting method for convertible debt securities that may be settled in cash, such as the Convertible Notes, is the subject of recent changes that could have a material effect on our reported financial results.

In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement), which has subsequently been codified as Accounting Standards Codification 470-20, Debt with Conversion and Other Options ("ASC 470-20"). Under ASC 470-20, an entity must separately account for the liability and equity components of the convertible debt instruments (such as the Convertible Notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer's economic interest cost. The effect of ASC 470-20 on the accounting for the Convertible Notes is that the equity component is required to be included in the additional paid-in capital section of stockholders' equity on our consolidated balance sheet and the value of the equity component would be treated as original issue discount for purposes of accounting for the debt component of the Convertible Notes. As a result, we will be required to record a greater amount of non-cash interest expense in current periods presented as a result of the amortization of the discounted carrying value of the Convertible Notes to their face amount over the term of the Convertible Notes. We will report lower net income in our financial results because ASC 470-20 will require interest to include both the current period's amortization of the debt discount and the instrument's coupon interest, which could adversely affect our reported or future financial results, the trading price of our common stock and the trading price of the Convertible Notes.

In addition, under certain circumstances, convertible debt instruments (such as the Convertible Notes) that may be settled entirely or partly in cash are currently accounted for utilizing the treasury stock method, the effect of which is that the shares issuable upon conversion of the Convertible Notes are not included in the calculation of diluted earnings per share except to the extent that the conversion value of the Convertible Notes exceeds their respective principal amount. Under the treasury stock method, for diluted earnings per share purposes, the transaction is accounted for as if the number of shares of common stock that would be necessary to settle such excess, if we elected to settle such excess in shares, are issued. We cannot be sure that the accounting standards in the future will continue to permit the use of the treasury stock method. If we are unable to use the treasury stock method in accounting for the shares issuable upon conversion of the Convertible Notes, then our diluted earnings per share would be adversely affected.

Holders of the Convertible Notes will not be entitled to any rights with respect to our common stock, but will be subject to all changes made with respect to them to the extent our conversion obligation includes shares of our common stock.

Holders of Convertible Notes will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock) prior to the conversion date relating to those Convertible Notes (if we have elected to settle the relevant conversion by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share)) or the last trading day of the relevant observation period (if we elect to pay and deliver, as the case may be, a combination of cash and shares of our common stock in respect of the relevant conversion), but holders of Convertible Notes will be subject to all changes affecting our common stock. For example, if an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the conversion date related to a holder's conversion of its Convertible Notes (if we have elected to settle the relevant conversion by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share)) or the last trading day of the relevant observation period (if we elect to pay and deliver, as the case may be, a combination of cash and shares of our common stock in respect of the relevant conversion), that holder will not be entitled to vote on the amendment, although that holder will nevertheless be subject to any changes affecting our common stock.

The conditional conversion feature of the Convertible Notes could result in the holders of the Convertible Notes receiving less than the value of our common stock into which the Convertible Notes would otherwise be convertible.

Prior to the close of business on the business day immediately preceding May 27, 2017 in the case of the 2012 Convertible Notes and January 1, 2020 in the case of the 2013 Convertible Notes, holders of Convertible Notes may convert those Convertible Notes only if specified conditions are met. If the specific conditions for conversion are not met, holders of Convertible Notes will not be able to convert their Convertible Notes, and they may not be able to receive the value of the cash, shares of common stock or combination of cash and shares of common stock, as applicable, into which the Convertible Notes would otherwise be convertible.

Upon conversion of the Convertible Notes, holders of the Convertible Notes may receive less valuable consideration than expected because the value of our common stock may decline after holders of the Convertible Notes exercise their conversion right but before we settle our conversion obligation.

Under the Convertible Notes, a converting holder will be exposed to fluctuations in the value of our common stock during the period from the date that holder surrenders Convertible Notes for conversion until the date we settle our conversion obligation.

Under the Convertible Notes, we have the option to pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of common stock, at our election. If we elect to settle our conversion obligation solely in cash or in a combination of cash and shares of common stock, the amount of consideration that holders of our Convertible Notes will receive upon conversion of their Convertible Notes will be determined by reference to the volume-weighted average prices of our common stock for each trading day in a 50 consecutive trading-day observation period applicable to each series of the Convertible Notes. For the 2012 Convertible Notes, this period would be (i) if the relevant conversion date occurs prior to May 27, 2017, the 50 consecutive trading-day period beginning on, and including, the second trading day after such conversion date; and (ii) if the relevant conversion date occurs on or after May 27, 2017, the 50 consecutive trading days beginning on, and including, the 52nd scheduled trading day immediately preceding the maturity date. For the 2013 Convertible Notes, this period would be (i) if the relevant conversion date occurs prior to January 1, 2020, the 50 consecutive trading-day period beginning on, and including, the second trading day after such conversion date; and (ii) if the relevant conversion date occurs on or after January 1, 2020, the 50 consecutive trading days beginning on, and including, the 52nd scheduled trading day immediately preceding the maturity date. Accordingly, if the price of our common stock decreases during the applicable observation period, the amount and/or value of consideration holders of the Convertible Notes will receive will be adversely affected. In addition, if the market price of our common stock at the end of the applicable observation period is below the average of the volume-weighted average price of our common stock during that period, the value of any shares of our common stock that holders of Convertible Notes will receive in satisfaction of our conversion obligation will be less than the value used to determine the number of shares that those holders will receive.

If we elect to satisfy our conversion obligation solely in shares of our common stock upon conversion of the Convertible Notes, we will be required to deliver the shares of our common stock, together with cash for any fractional share, on the third business day following the relevant conversion date (or, for any such conversion occurring on or after November 27, 2017 in the case of the 2012 Convertible Notes or January 1, 2020 in the case of the 2013 Convertible Notes, on the maturity date). Accordingly, if the price of our common stock decreases during this period, the value of the shares that holders of the Convertible Notes receive will be adversely affected and would be less than the conversion value of the Convertible Notes on the conversion date.

The Convertible Notes are not protected by restrictive covenants.

The indentures governing the Convertible Notes do not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indentures contain no covenants or other provisions to afford protection to holders of the Convertible Notes in the event of a fundamental change or other corporate transaction involving us except to the extent described in the Convertible Notes and the applicable indenture.

The adjustment to the conversion rate for Convertible Notes converted in connection with a make-whole fundamental change may not adequately compensate holders of the Convertible Notes for any lost value of the Convertible Notes as a result of such transaction.

If a make-whole fundamental change occurs prior to the maturity date, under certain circumstances, we will increase the conversion rate by a number of additional shares of our common stock for Convertible Notes converted in connection with such make-whole fundamental change. The increase in the conversion rate will be determined based on the date on which the specified corporate transaction becomes effective and the price paid (or deemed to be paid) per share of our common stock in such transaction. The adjustment to the conversion rate for Convertible Notes converted in connection with a make-whole fundamental change may not adequately compensate holders of the Convertible Notes for any lost value of the Convertible Notes as a result of such transaction. In addition, if the price of our common stock in the transaction is, in the case of the 2012 Convertible Notes, greater than $150.00 per share or less than $25.25 per share, or in the case of the 2013 Convertible Notes, greater than $250.00 per share or less than $35.17 per share, (in each case, subject to adjustment), no additional shares will be added to the conversion rate. Moreover, in no event will the conversion rate per $1,000 principal amount of Convertible Notes as a result of any adjustment exceed, in the case of the 2012 Convertible Notes, 39.6039 shares, or in the case of the 2013 Convertible Notes, 28.4333 shares, in each case subject to adjustments described in the applicable series of Convertible Notes.

Our obligation to increase the conversion rate upon the occurrence of a make-whole fundamental change could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

The conversion rate of the Convertible Notes may not be adjusted for all dilutive events.

The conversion rate of the Convertible Notes is subject to adjustment for certain events, including, but not limited to, the issuance of certain stock dividends on our common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness, or assets, cash dividends and certain issuer tender or exchange offers. However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer or an issuance of common stock for cash, that may adversely affect the trading price of the Convertible Notes or our common stock. An event that adversely affects the value of the Convertible Notes may occur, and that event may not result in an adjustment to the conversion rate.

Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the Convertible Notes.

Upon the occurrence of a fundamental change, holders of the Convertible Notes have the right to require us to repurchase their Convertible Notes. However, the fundamental change provisions will not afford protection to holders of the Convertible Notes in the event of other transactions that could adversely affect the Convertible Notes. For example, transactions such as leveraged recapitalizations, refinancings, restructurings or acquisitions initiated by us may not constitute a fundamental change requiring us to repurchase the Convertible Notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of the Convertible Notes.

We have not registered the Convertible Notes or our common stock issuable upon conversion, which will limit the ability to resell them.

The Convertible Notes and the shares of common stock issuable upon conversion of the Convertible Notes, if any, have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. Unless the Convertible Notes and the shares of common stock issuable upon conversion of the Convertible Notes, if any, have been registered, they may not be transferred or resold except in a transaction exempt from or not subject to the registration requirements of the Securities Act and applicable state securities laws. We do not intend to file a registration statement for the resale of the Convertible Notes and our common stock, if any, into which the Convertible Notes are convertible.

An active trading market may not develop for the Convertible Notes.

Prior to the respective offerings of the 2012 Convertible Notes and the 2013 Convertible Notes, there was no trading market for the Convertible Notes, and we do not intend to apply to list the Convertible Notes on any securities exchange or to arrange for quotation on any automated dealer quotation system. We have been informed by the initial purchasers that they intend to make a market in the Convertible Notes after the offering is completed. However, the initial purchasers may cease their market-making at any time without notice. In addition, the liquidity of the trading market in the Convertible Notes, and the market price quoted for the Convertible Notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure holders of the Convertible Notes that an active trading market will develop for the Convertible Notes. If an active trading market does not develop or is not maintained, the market price and liquidity of the Convertible Notes may be adversely affected. In that case holders of the Convertible Notes may not be able to sell their Convertible Notes at a particular time or at a favorable price.

Any adverse rating of the Convertible Notes may cause their trading price to fall.

We do not intend to seek a rating on the Convertible Notes. However, if a rating service were to rate the Convertible Notes and if such rating service were to lower its rating on the Convertible Notes below the rating initially assigned to the Convertible Notes or otherwise announces its intention to put the Convertible Notes on credit watch, the trading price of the Convertible Notes could decline.

Holders of the Convertible Notes should carefully consider the U.S. federal income tax consequences of converting the Convertible Notes.

The U.S. federal income tax treatment of the conversion of the Convertible Notes into a combination of our common stock and cash is not entirely certain. Holders of the Convertible Notes should consult their tax advisors with respect to the U.S. federal income tax consequences resulting from the conversion of Convertible Notes into a combination of cash and common stock.

Holders of our Convertible Notes may be deemed to have received a taxable distribution without the receipt of any cash.

The conversion rate of the Convertible Notes will be adjusted in certain circumstances. Under Section 305(c) of the Internal Revenue Code of 1986, as amended (the "Code"), adjustments (or failures to make adjustments) that have the effect of increasing a holder's proportionate interest in our assets or earnings and profits may in some circumstances result in a deemed distribution to that holder. Certain of the conversion rate adjustments with respect to the Convertible Notes (including, without limitation, adjustments in respect of taxable dividends to holders of our common stock) will result in deemed distributions to the holders of Convertible Notes even though they have not received any cash or property as a result of such adjustments. In addition, an adjustment to the conversion rate in connection with a make-whole fundamental change may be treated as a deemed distribution. Any deemed distributions will be taxable as a dividend, return of capital or capital gain in accordance with the distribution rules under the Code. If a holder of the Convertible Notes is a non-U.S. holder (as defined under "Certain U.S. Federal Income Tax Considerations"), any

deemed dividend may be subject to U.S. withholding tax at a 30% rate or such lower rate as may be specified by an applicable tax treaty, which may be set off against subsequent payments on the Convertible Notes (or in certain circumstances, on our common stock). Under proposed regulations, certain "dividend equivalent" payments, which generally will be deemed to occur as a result of an adjustment to the conversion rate of the Convertible Notes in connection with the payment of a dividend on our common stock, may be subject to withholding tax at a different time or in a different amount than the withholding tax otherwise imposed on dividends and constructive dividends.

The 2013 Convertible Notes capped call transactions may affect the value of the Convertible Notes and our common stock.

In connection with the offering and sale of the 2013 Convertible Notes, we entered into capped call transactions with the option counterparties (the "2013 Option Counterparties"). The capped call transactions are expected to reduce the potential dilution and/or offset any cash payments we are required to make in excess of the principal amount upon conversion of the 2013 Convertible Notes, with such reduction and/or offset subject to a cap.

In connection with establishing their initial hedge of the capped call transactions, the 2013 Option Counterparties or their respective affiliates expected to enter into various derivative transactions with respect to our common stock and/or purchase shares of our common stock in privately negotiated transactions and/or open market transactions concurrently with or shortly after the pricing of the 2013 Convertible Notes. This activity could increase (or reduce the size of any decrease in) the market price of our common stock or the Convertible Notes at that time.

In addition, the 2013 Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock in secondary market transactions following the pricing of the 2013 Convertible Notes and prior to the maturity of the Convertible Notes (and are likely to do so during any observation period related to a conversion of the 2013 Convertible Notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the Convertible Notes, which could affect a holder's ability to convert the Convertible Notes and, to the extent the activity occurs during any observation period related to a conversion of the Convertible Notes, it could affect the amount and value of the consideration that a holder will receive upon conversion of the Convertible Notes.

The 2012 Convertible Notes convertible note hedge transactions and warrant transactions may affect the value of the Convertible Notes and our common stock.

In connection with the offering and sale of the 2012 Convertible Notes, we entered into convertible note hedge transactions with certain financial institutions (the "2012 Option Counterparties"). The convertible note hedge transactions are expected to reduce the potential dilution and/or offset any cash payments we are required to make in excess of the principal amount upon conversion of the 2012 Convertible Notes. We also entered into warrant transactions with the 2012 Option Counterparties. The warrant transactions could separately have a dilutive effect on our earnings per share to the extent that the market price per share of our common stock exceeds the applicable strike price of the warrants. However, subject to certain conditions, we may elect to settle the warrant transactions in cash.

The 2012 Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock in secondary market transactions prior to the maturity of the Convertible Notes (and are likely to do so during any observation period related to a conversion of the 2012 Convertible Notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the Convertible Notes, which could affect a holder's ability to convert the Convertible Notes and, to the extent the activity occurs during any observation period related to a conversion of the Convertible Notes, it could affect the amount and value of the consideration that a holder will receive upon conversion of the Convertible Notes.

Provisions in our charter documents and Delaware law may delay or prevent acquisition of us, which could decrease the value of shares of our common stock.

Our certificate of incorporation and bylaws and Delaware law contain provisions that could make it more difficult for a third party to acquire us without the consent of our Board of Directors. These provisions include advance notice provisions, limitations on actions by our stockholders by written consent and special approval requirements for transactions involving interested stockholders. We are authorized to issue up to five million shares of preferred stock, the relative rights and preferences of which may be fixed by our Board of Directors, subject to the provisions of our articles of incorporation, without stockholder approval. The issuance of preferred stock could be used to dilute the stock ownership of a potential hostile acquirer. The provisions that discourage potential acquisitions of us and adversely affect the voting power of the holders of common stock may adversely affect the price of our common stock and the value of the Convertible Notes.

We do not intend to pay dividends on our common stock for the foreseeable future.

We have never declared or paid cash dividends on our common stock. In addition, we must comply with the covenants in our credit facilities if we want to pay cash dividends. We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board of Directors and will depend upon our financial condition, results of operations, capital requirements, restrictions contained in current or future financing instruments and such other factors as our Board of Directors deems relevant.

Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds

Our revolving credit facilities contain restrictions and covenants, which limit, among other things, the payment of dividends.

Item 6 – Exhibits

4.1	Indenture (including the form of the Note), dated as of June 24, 2013, by and between Encore Capital Group, Inc., Midland Credit Management, Inc., as guarantor, and Union Bank, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 24, 2013)
4.2	Indenture (including the form of the Note), dated August 2, 2013, between Cabot Financial (Luxembourg) S.A., Cabot Credit Management Limited, Cabot Financial Limited and all material subsidiaries of Cabot Financial Limited, as guarantors, J.P. Morgan Europe Limited, as security agent, and Citibank, N.A., London Branch as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 6, 2013)
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10.4+	Encore Capital Group, Inc. 2013 Incentive Compensation Plan (incorporated by reference to Appendix A of the Company's definitive Proxy Statement on Schedule 14A filed on April 26, 2013)
10.5+	Form of Non-Incentive Stock Option Agreement under the Encore Capital Group, Inc. 2013 Incentive Compensation Plan (filed herewith)
10.6+	Form of Restricted Stock Award Grant Notice and Agreement (Executive) under the Encore Capital Group, Inc. 2013 Incentive Compensation Plan (filed herewith)
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10.13*	Tax Lien Loan and Security Agreement, dated May 15, 2013, by and among PFS Financial 1, LLC, PFS Finance Holdings, LLC, the Borrowers from time to time party thereto and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 20, 2013)
10.14	Guaranty and Security Agreement, dated May 15, 2013, by PFS Finance Holdings, LLC, in favor of Wells Fargo Bank, N.A. (filed herewith)
10.15	Limited Guarantee, dated May 15, 2013, by Encore Capital Group, Inc., in favor of Wells Fargo Bank, N.A. (filed herewith)

10.16 Securities Purchase Agreement, dated May 29, 2013, by and between Encore Capital Group, Inc. and JCF III Europe S.À R.L. (filed herewith)

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31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934 (filed herewith)
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 (filed herewith)
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101	The following financial information from the Encore Capital Group, Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 formatted in eXtensible Business Reporting Language (XBRL): (i) Condensed Consolidated Statements of Financial Condition; (ii) Condensed Consolidated Statements of Comprehensive Income; (iii) Condensed Consolidated Statements of Stockholders' Equity; (iv) Condensed Consolidated Statements of Cash Flows; and (v) the Notes to Condensed Consolidated Financial Statements

+ Management contract or compensatory plan or arrangement.

* The asterisk denotes that confidential portions of this exhibit have been omitted in reliance on Rule 24b-2 of the Securities Exchange Act of 1934, as amended. The confidential portions have been submitted separately to the Securities and Exchange Commission.

SIGNATURES

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 thereunto duly authorized.

ENCORE CAPITAL GROUP, INC.

By: /s/ Paul Grinberg
Paul Grinberg
Executive Vice President,
Chief Financial Officer and Treasurer

Date: August 8, 2013

EXHIBIT INDEX

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+ Management contract or compensatory plan or arrangement.

* The asterisk denotes that confidential portions of this exhibit have been omitted in reliance on Rule 24b-2 of the Securities Exchange Act of 1934, as amended. The confidential portions have been submitted separately to the Securities and Exchange Commission.

Exhibit 10.1

AMENDMENT NO. 1

Dated as of February 7, 2013

to

CREDIT FACILITY LOAN AGREEMENT

Dated as of May 8, 2012

THIS AMENDMENT NO. 1 ("Amendment") is made as of February 7, 2013, by and among PROPEL FINANCIAL SERVICES, LLC, a Texas limited liability company ("Borrower"), the financial institutions listed on the signature pages hereof (the "Banks") and TEXAS CAPITAL BANK, NATIONAL ASSOCIATION, a national banking association, as Administrative Agent (in such capacity, "Agent") under that certain Credit Facility Loan Agreement dated as of May 8, 2012, by and among the Borrower, the Banks and the Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Borrower has requested that the Banks and the Agent agree to certain amendments with respect to the Credit Agreement;

WHEREAS, the Banks and the Agent have agreed to such amendments on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, the Banks and the Agent have agreed to enter into this Amendment.

1. Amendments to Agreement. Effective as of the date hereof, the Credit Agreement is amended as follows:

(a) Section 1.1 of the Credit Agreement is amended to add the following definition in its appropriate alphabetical order therein:

" "Eligible Tax Lien" means, a tax lien (a) on real property located in the State of Arizona and (b) acquired, directly or indirectly, from governmental taxing authorities by a Credit Party."

(b) Section 1.1 of the Credit Agreement is further amended to amend and restate the definitions of "Approved Purposes", "Borrowing Base" and "Collateral" set forth therein in their entirety as follows:

" "Approved Purposes" means the costs to finance the purchase and/or origination of Notes Receivable and Eligible Tax Liens and sums used to refinance existing debt made for such purpose."

" "Borrowing Base" means, at any time, an amount equal to ninety percent (90%) of the sum of (i) the aggregate outstanding principal balance of the Notes Receivable and (ii) the aggregate purchase price of all Eligible Tax Liens; provided that the aggregate amount included in the Borrowing Base pursuant to clause (ii) shall at no time exceed 10% of the Committed Sum."

" "Collateral" means, all property (regardless of owner) which secures, either directly or indirectly, the Indebtedness and the Obligations, including all of those assets and properties of Borrower and the other Credit Parties listed below, whether now owned or hereafter acquired, wherever located, howsoever arising or created, and whether now existing or hereafter arising, existing or created:

(i) All Notes Receivable in the actual or constructive possession of Agent or in the actual or constructive possession of a Credit Party in trust for Agent or in transit to or from Agent as collateral for the Indebtedness or designated by a Credit Party as collateral for the Indebtedness (whether or not delivered to Agent);

(ii) All Eligible Tax Liens;

(iii) All present and future Accounts, Instruments, Documents, Chattel Paper, and General Intangibles, and other personal property now owned or hereafter acquired by a Credit Party arising from or by virtue of any transaction related to its business;

(iv) All books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto; and

(v) All proceeds and products thereof, of whatever kind or nature from any of such collateral described in paragraphs (a)(i), (ii), (iii) and (iv) above.

As used herein, Accounts, Chattel Paper, Instruments, Documents, and General Intangibles shall have the respective meanings assigned to them in the Code."

(c) Section 6.13 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Within sixty (60) days after the Closing Date, within one hundred twenty (120) days after the last day of each calendar year, and at such other times as Agent may request in writing, Borrower shall, and shall cause each of the Credit Parties to, permit representatives of Agent, at the expense of Borrower, to inspect and conduct an audit of all of the Credit Parties' assets, properties, books and records (including the Notes Receivable and Eligible Tax Liens)."

(d) Section 7.4 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Borrower will not, and will not permit any other Credit Party to, become a party to a merger or consolidation, or purchase or otherwise acquire all or any part of the assets of any Person (other than portfolios of Notes Receivable or Eligible Tax Liens) or any shares, or other evidence of beneficial ownership of any Person, or wind-up, dissolve, or liquidate other than (i) mergers with another Credit Party so long as, if the Borrower is one of the parties to such merger, the Borrower is the surviving party and (ii) as a result of investments permitted under Section 7.6."

(e) Section 7.6 of the Credit Agreement is hereby amended to add the following clause 7.6(e) immediately following clause 7.6(d) thereof:

"Eligible Tax Liens and portfolios of Eligible Tax Liens."

(f) Section 7.9 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Borrower will not, and will not permit any other Credit Party to, sell, lease, assign, transfer, or otherwise dispose of any of its assets, except (a) dispositions, for fair value, of worn-out and obsolete equipment not necessary to the conduct of its business, or (b) sale of Notes Receivable and Eligible Tax Liens provided that (i) (A) the Notes Receivable and Eligible Tax Liens are sold for at least 90% of par value (or at less than 90% of par value with the prior written consent of Agent) or (B) Notes Receivable and Eligible Tax Liens sold at less than 90% of par value shall not, without the prior written consent of Agent, exceed in the aggregate $5,000,000 (par value) in any year, (ii) the proceeds of the sale of the Notes Receivable and Eligible Tax Liens are applied to the principal balance of the Loan, and (iii) prior to or concurrently with the sale, Borrower has provided to Agent written notice of the sale and copies of the assignment and transfer documents listing and describing the Notes Receivable and the Eligible Tax Liens and the sales price of the Notes Receivable and Eligible Tax Liens being sold. No sale of Notes Receivable or Eligible Tax Liens shall, after the proceeds of such sale are applied to the principal balance of the Loan, cause the resulting principal balance of the Loan to exceed the resulting Borrowing Base."

(g) Exhibit A (Borrowing Base Certificate) of the Credit Agreement is hereby amended and restated in its entirety as set forth on Exhibit A hereto.

2. Effective Date. This Amendment shall become effective as of the first date upon which the Agent shall have received counterparts of the Amendment duly executed by the Borrower, each Bank and the Agent.

3. Representations and Warranties. Borrower represents to Agent and the Banks that, as of the date of this Amendment and after giving effect to the provisions hereof, (a) the representations and warranties set forth in the Credit Agreement and each of the other Loan Documents to which it is a party are true and correct in all material respects as if made on and as of the date hereof (other than those representations and warranties expressly limited by their terms to a specific date), (b) no Event of Default has occurred and is continuing, and (c) no event has occurred since the date of the most recent financial statements delivered pursuant to the Credit Agreement that has caused a Material Adverse Effect in the financial condition of Borrower.

4. Further Assurances. Borrower agrees that it shall, upon request of Agent, duly execute and deliver, or cause to be duly executed and delivered, to Agent such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of Agent to carry out the provisions and purposes of this Amendment.

5. No Claim, Cause of Action or Defense. Borrower agrees that no facts, events, status or conditions presently exist which, either now or with the passage of time or the giving of notice or both, presently constitute or will constitute a basis for any claim or cause of action against Agent or the Banks or any defense to the payment of any of the indebtedness evidenced or to be evidenced by any of the Loan Documents.

6. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Each of the Loan Documents is hereby amended and modified to the extent necessary to give full force and effect to the terms of this Amendment, and each of such Loan Documents shall hereafter be construed and interpreted after giving full force and effect to the terms of this Amendment.

(c) Except as specifically amended above, the Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(d) Other than as expressly set forth herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agent or the Banks, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

7. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Texas. This Amendment has been entered into in Bexar County, Texas and shall be performable for all purposes in Bexar County, Texas

8. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

9. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

PROPEL FINANCIAL SERVICES, LLC,
as the Borrower

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

Signature Page to Amendment
Propel Financial Services, LLC
Credit Facility Loan Agreement dated as of May 8, 2012

GUARANTOR JOINDER PAGE

Guarantors consent to the modification and amendment of the Credit Agreement evidenced by this Amendment. The Guaranty Agreements executed by Guarantors shall continue in full force and effect, and are hereby ratified and confirmed by Guarantors in all respects.

ENCORE CAPITAL GROUP, INC.,
a Delaware corporation

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President and Chief Executive Officer

RIOPROP VENTURES, LLC,
a Texas limited liability company

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

BNC RETAX, LLC,
a Texas limited liability company

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

RIOPROP HOLDINGS, LLC,
a Texas limited liability company

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

TEXAS CAPITAL BANK, NATIONAL ASSOCIATION,
as Administrative Agent and as a Bank

By: /s/ Craig A. Dixon
Name: Craig A. Dixon
Title: Executive Vice President

Signature Page to Amendment
Propel Financial Services, LLC
Credit Facility Loan Agreement dated as of May 8, 2012

AMEGY BANK NATIONAL ASSOCIATION,
as a Bank

By: /s/ Amanda McChesney
Name: Amanda McChesney
Title: Vice President

Signature Page to Amendment
Propel Financial Services, LLC
Credit Facility Loan Agreement dated as of May 8, 2012

BOKF, National Association,
as a Bank

By: /s/ Michael Rodgers
Name: Michael Rodgers
Title: Vice President

Signature Page to Amendment
Propel Financial Services, LLC
Credit Facility Loan Agreement dated as of May 8, 2012

CITY BANK,
as a Bank

By: /s/ Stan Mayfield
Name: Stan Mayfield
Title: Overton Branch Pres.

Signature Page to Amendment
Propel Financial Services, LLC
Credit Facility Loan Agreement dated as of May 8, 2012

LONE STAR NATIONAL BANK,
as a Bank

By: /s/ Brian Disque
Name: Brian Disque
Title: Senior Vice President

Signature Page to Amendment
Propel Financial Services, LLC
Credit Facility Loan Agreement dated as of May 8, 2012

GREEN BANK, N.A.,
as a Bank

By: /s/ Ryan Craig
Name: Ryan Craig
Title: Vice President

Signature Page to Amendment
Propel Financial Services, LLC
Credit Facility Loan Agreement dated as of May 8, 2012

EXHIBIT A

BORROWING BASE CERTIFICATE

745 Mulberry
Suite 350
San Antonio, TX 78212
Fax: 210-733-6600

Borrower: **PROPEL FINANCIAL SERVICES, LLC**

Tax Lien/Note Portfolio		**Date**
1.)	**Par Value of Portfolio to be acquired (or originated) for Propel**	
	Par Value of Portfolio to be acquired (or originated) for RioProp	
	Par Value of Portfolio to be acquired (or originated) for BNC	
	Total Value of Portfolio	
2.)	**Times Advance rate of 90%**	$
3.)	**Par Value of current Portfolio for Propel**	
	Par Value of current Portfolio for RioProp	
	Par Value of current Portfolio for BNC	
	Total Value of Portfolio	
4.)	**Times Advance rate of 90%**	$
5.)	**Par Value of Portfolio to be acquired (or originated) for Arizona**	
	Par Value of current Portfolio for Arizona	
	Total Value of Portfolio (not to exceed $16,000,000)	
6.)	**Times Advance rate of 90%**	
7.)	**Total Value of Portfolio (line 2 plus line 4 plus line 6)**	$
8.)	**Ending Line of Credit Balance**	$
9.)	**Borrowing Availability (Line 7 minus Line 8)**	$
	(Not to Exceed $160,000,000.00)	
	(If result is a negative figure, this amount is due immediately as a principal payment.)	

This certificate is delivered under the Loan Agreement dated February 10, 2012, between Borrower and Bank. Capitalized terms used in this certificate shall, unless otherwise indicated, have the meanings set forth in the Agreement. On behalf of Borrower, the undersigned advises Bank that a review of the activities of the Borrower during the subject period has been made under my supervision, and the undersigned certifies to Bank on the date hereof that (a) no Default has occurred and is continuing, (b) the tax lien/note portfolio of Borrower included in the Borrowing Base above meet all conditions to qualify for inclusion therein as set forth in the Agreement, (‘c) all representations and warranties set forth in the Agreement with respect thereto were true and correct in all material respects at the time the represent actions and warranties were made, and (d) the information set forth above and hereto was true and correct as of the reporting date.

CERTIFIED BY:

PROPEL FINANCIAL SERVICES, LLC

Company Name **By: Authorized Signer**

Date **Title**

** Advance rate equal to 100% in year one, 95% in year two and 90% in year three and until the maturity date as defined in the Loan Agreement dated February , 2012

Exhibit A

Exhibit 10.2

AMENDMENT NO. 1 AND LIMITED WAIVER TO
AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDMENT NO. 1 AND LIMITED WAIVER TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment"), dated as of May 9, 2013, is entered into by and among ENCORE CAPITAL GROUP, INC., a Delaware corporation (the "Borrower"), the Guarantors indentified on the signature pages hereto, certain Lenders (as defined in the Credit Agreement (as defined below)) party hereto, and SUNTRUST BANK, as Administrative Agent (in such capacity, the "Administrative Agent"), Collateral Agent, Swingline Lender and Issuing Lender.

RECITALS

WHEREAS, the Borrower, the Lenders and the Administrative Agent are parties to that certain Amended and Restated Credit Agreement dated as of November 5, 2012 (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which the Lenders have extended revolving credit and term loan facilities to the Borrower; and

WHEREAS, the Borrower has requested certain amendments to the Credit Agreement set forth herein, and the Administrative Agent and each of the undersigned Lenders (the "Consenting Lenders") have agreed to such requests, subject to the terms and conditions of this Amendment;

WHEREAS, Sections 5.10 and 5.11 of the Credit Agreement require the Loan Parties to deliver certain Collateral Documents and certain other documentation with respect to new Subsidiaries formed or acquired after the Closing Date; and

WHEREAS, Midland Credit Management, Inc., a Loan Party, has established two Immaterial Subsidiaries previously identified to the Administrative Agent (each, a "New Subsidiary" and collectively, the "New Subsidiaries") and, in each case, has not satisfied the requirements of Sections 5.10 and 5.11 of the Credit Agreement regarding the delivery of such collateral documents resulting in an Event of Default under Section 8.1(c) (collectively, the "Specified Events of Default").

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to such terms in the Credit Agreement, as amended by this Amendment.

2. Amendments to Credit Agreement and Guaranty Agreement. Subject to the terms and conditions hereof and with effect from and after the Amendment Effective Date (as defined below) the Credit Agreement (including Exhibits and Schedules thereto) shall be amended so that, after giving effect to all such amendments, it reads in its entirety as set forth in Exhibit A as attached hereto. The parties hereto (including the Guarantors) further agree that the defined term "Guaranteed Obligations" in the Guaranty Agreement shall be deemed to exclude any and all "Excluded Swap Obligations" (as such term is defined in the Credit Agreement, as amended by this Amendment).

3. Waiver. Subject to the terms and conditions set forth herein and in reliance on the representations and warranties of the Loan Parties made herein, the Administrative Agent and the Lenders signatory hereto hereby (i) waive the Specified Events of Default, and (ii) consent to the delivery of the relevant collateral documents with respect to each New Subsidiary on or before the date that is forty-five (45) days following the Amendment Effective Date (which time period may be extended by the Collateral Agent in its reasonable discretion).

The waiver set forth in this Section 3 is a one time waiver and is limited to the extent specifically set forth above and no other terms, covenants or provisions of the Credit Agreement or any other Loan Document are intended to be affected hereby all of which remain in full force and effect. The Loan Parties acknowledge and agree that the waiver contained above in this Section 3 shall not waive (or be deemed to be or constitute a waiver of) any other covenant, term or provision in the Credit Agreement or hinder, restrict or otherwise modify the rights and remedies of the Lenders and the Administrative Agent following the occurrence of any other present or future Default or Event of Default (whether or not related to the Specified Events of Default) under the Credit Agreement or any other Loan Document.

4. Representations and Warranties. The Borrowers and the Guarantors hereby represent and warrant to the Administrative Agent and the Lenders as follows:

(a) Except for the Specified Events of Default, no Default or Event of Default has occurred and is continuing as of the date hereof, nor will any Default or Event of Default exist immediately after giving effect to this Amendment.

(b) The execution, delivery and performance by each Loan Party of this Amendment are within such Loan Party's organizational powers and have been duly authorized by all necessary organizational, and if required, shareholder, partner or member, action. This Amendment has been duly executed and delivered by each Loan Party. Each of this Amendment and the Credit Agreement, as amended hereby, constitute the valid and binding obligations of the Loan Parties, enforceable against them in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(c) The execution, delivery and performance by the Loan Parties of this Amendment (i) do not require any consent or approval of, registration or filing with, or any action by, any Governmental Authority, except those as have been obtained or made and are in full force and effect, (ii) will not violate any organizational documents of, or any law applicable to, any Loan Party or any judgment, order or ruling of any Governmental Authority, (iii) will not violate or result in a default under the Credit Agreement, the Prudential Senior Secured Note Agreement, any Material Indebtedness Agreement, any other material agreement or other material instrument binding on any Loan Party or any of their assets or give rise to a right thereunder to require any payment to be made by any Loan Party, (iv) will not result in the creation or imposition of any Lien on any asset of any Loan Party, except Liens (if any) created under the Loan Documents and/or (v) will not result in a material limitation on any licenses, permits or other governmental approvals applicable to the business, operations or properties of the Loan Parties.

(d) The execution, delivery, performance and effectiveness of this Amendment will not: (i) impair the validity, effectiveness or priority of the Liens granted pursuant to any Loan Document, and such Liens continue unimpaired with the same priority to secure repayment of all of the applicable Obligations, whether heretofore or hereafter incurred and (ii) require that any new filings be made or other action taken to perfect or to maintain the perfection of such Liens.

5. Effective Date.

(a) This Amendment will become effective on the date on which each of the following conditions has been satisfied (the "Amendment Effective Date") to the satisfaction of the Administrative Agent:

(i) the Administrative Agent shall have received counterparts of this Amendment duly executed by the Loan Parties and the Required Lenders;

(ii) the Administrative Agent shall have received a certificate of a Responsible Officer, in form and substance acceptable to Administrative Agent, certifying that (1) before and immediately after giving effect to this Amendment, except with respect to the Specified Events of Default, (a) the representations and warranties contained in Article IV of the Credit Agreement are true and correct in all material respects (or, if qualified by materiality or Material Adverse Effect, in all respects) on and as of the Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date and (b) no Default or Event of Default exists and is continuing and (2) attached thereto is a revised Schedule 4.14 to the Credit Agreement setting forth the information required under Section 4.14 of the Credit Agreement, which is a true and correct listing thereof as of the Amendment Effective Date;

(iii) the Administrative Agent shall have received a certificate of a Responsible Officer, in form and substance acceptable to Administrative Agent, certifying that attached thereto are true and complete copies of (A) the resolutions adopted by Borrower approving this Amendment and (B) such certificates, documents or other action as the Administrative Agent may reasonably require to evidence that Loan Parties are duly organized or formed, validly existing and in good standing;

(iv) favorable opinion of, Pillsbury Winthrop Shaw Pittman LLP, counsel to the Loan Parties, in form and substance acceptable to the Administrative Agent and as to such matters as the Administrative Agent shall reasonably request (including enforceability of this Amendment and the Credit Agreement (as amended hereby) attached hereto under New York law);

(v) the Administrative Agent shall have received evidence that an amendment fee in the amount of $10,000 for each Consenting Lender has been paid to the Administrative Agent for distribution to those Consenting Lenders for whom the Administrative Agent (or its counsel) shall have received an executed signature page to this Amendment (which signature pages shall be released without condition or restriction) on or before 5:00 p.m. EDT on May 3, 2013;

(vi) the Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced at least two (2) Business Days prior to or on the Amendment Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings;

(vii) the Administrative Agent shall have received certified copies of all consents, approvals, authorizations, registrations and filings and orders required or advisable to be made or obtained under applicable laws in connection with the execution, delivery,

performance, validity and enforceability of this Amendment, and such consents, approvals, authorizations, registrations, filings and orders shall be in full force and effect and all applicable waiting periods shall have expired;

(viii) the Administrative Agent shall have received a certified copy of an amendment to, or an amendment and restatement of, the Prudential Senior Secured Note Agreement duly executed by each party thereto, in form and substance acceptable to the Administrative Agent; and

(ix) the Administrative Agent shall have received such other instruments, documents and certificates as the Administrative Agent shall reasonably request in connection with the execution of this Amendment.

(b) For purposes of determining compliance with the conditions specified in this Section 4, each Lender that has executed this Amendment and delivered it to the Administrative Agent shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter required under Section 4 to be consented to or approved by or acceptable or satisfactory to such Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Amendment Effective Date specifying its objection thereto.

(c) From and after the Amendment Effective Date, the Credit Agreement is amended as set forth herein. Except as expressly amended pursuant hereto, the Credit Agreement shall remain unchanged and in full force and effect and is hereby ratified and confirmed in all respects.

(d) The Administrative Agent will notify the Borrower and the Lenders of the occurrence of the Amendment Effective Date.

6. Miscellaneous.

(a) Except as herein expressly amended, all terms, covenants and provisions of the Credit Agreement and each other Loan Document are and shall remain in full force and effect and all references in any Loan Document to the "Credit Agreement" shall henceforth refer to the Credit Agreement as amended by this Amendment. Nothing in this Amendment or in any of the transactions contemplated hereby is intended, or shall be construed, to constitute a novation or an accord and satisfaction of any of the Obligations of the Borrower under the Credit Agreement or to modify, affect or impair the perfection, priority or continuation of the security interests in, security titles to or other Liens on any Collateral for the Obligations.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns.

(c) THIS AMENDMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 10.6 AND 10.7 OF THE CREDIT AGREEMENT (AS AMENDED HEREBY) RELATING TO GOVERNING LAW, JURISDICTION AND WAIVER OF RIGHT TO TRIAL BY JURY, THE PROVISIONS OF WHICH ARE BY THIS REFERENCE INCORPORATED HEREIN IN FULL.

(d) This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided

in Section 4, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties required to be a party hereto. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may not be amended except in accordance with the provisions of Section 10.2 of the Credit Agreement.

(e) If any provision of this Amendment or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Loan Documents, or constitute a course of conduct or dealing among the parties. The Administrative Agent and the Lenders reserve all rights, privileges and remedies under the Loan Documents.

(f) The Borrower shall reimburse the Administrative Agent upon demand for all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) incurred by the Administrative Agent in connection with the preparation, negotiation and execution of this Amendment and the other agreements and documents executed and delivered in connection herewith.

(g) In consideration of the amendments contained herein, each of the Loan Parties hereby waives and releases each of the Lenders, the Administrative Agent and the Collateral Agent from any and all claims and defenses, known or unknown as of the date hereof, with respect to the Credit Agreement and the other Loan Documents and the transactions contemplated hereby and thereby.

(h) This Amendment shall constitute a "Loan Document" under and as defined in the Credit Agreement.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

ENCORE CAPITAL GROUP, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

SUNTRUST BANK,
as Administrative Agent and as Lender

By: /s/ Peter Wesemeier
Name: Peter Wesemeier
Title: Vice President

BANK OF AMERICA, N.A.,
as Lender

By: /s/ Christopher D. Pannacciulli
Name: Christopher D. Pannacciulli
Title: Senior Vice President

FIFTH THIRD BANK, as Lender

By: /s/ Gregory J. Vollmer
Name: Gregory J. Vollmer
Title: Vice President

ING CAPITAL LLC, as Lender

By: /s/ Mary Forstner
Name: Mary Forstner
Title: Director

MORGAN STANLEY BANK, N.A., as Lender

By: /s/ Penny Tsekouras
Name: Penny Tsekouras
Title: Authorized Signatory

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Lender

By: /s/ Roey Eyal
Name: Roey Eyal
Title: Director

By: /s/ Denise Chen
Name: Denise Chen
Title: Vice President

CALIFORNIA BANK & TRUST, as Lender

By: /s/ Michael Powell
Name: Michael Powell
Title: Senior Vice President

CITIBANK, N.A., as Lender

By: /s/ Rita Raychaudhuri
Name: Rita Raychaudhuri
Title: Senior Vice President

BANK LEUMI USA, as Lender

By: /s/ Alex Menache
Name: Alex Menache
Title: A.T.

FIRST BANK, as Lender

By: /s/ Susan J. Pepping
Name: Susan J. Pepping
Title: Senior Vice President

AMALGAMATED BANK, as Lender

By: /s/ Jackson Eng
Name: Jackson Eng
Title: First Vice President

UNION BANK, as Lender

By: /s/ Edmund Ozorio
Name: Edmund Ozorio
Title: Vice President

CATHAY BANK, CALIFORNIA BANKING CORPORATION, as Lender

By: /s/ Shahid Kathrada
Name: Shahid Kathrada
Title: Vice President

CHANG HWA COMMERCIAL BANK, LTD., NEW YORK BRANCH, as Lender

By: /s/ Eric Y.S. Tsai
Name: Eric Y.S. Tsai
Title: V.P. & General Manager

MANUFACTURERS BANK, as Lender

By: /s/ Sandy Lee
Name: Sandy Lee
Title: Vice President

BARCLAYS BANK PLC, as Lender

By: /s/ Patrick Kerner
Name: Patrick Kerner
Title: Assistant Vice President

Each of the undersigned hereby makes the representations and warranties set forth above in this Amendment, consents to this Amendment and the terms and provisions hereof and hereby (a) confirms and agrees that notwithstanding the effectiveness of such Amendment, each Loan Document to which it is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of such Amendment, each reference in the Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import shall mean and be a reference to the Credit Agreement, as amended by this Amendment, (b) confirms and agrees that the pledge and security interest in the Collateral granted by it pursuant to the Collateral Documents to which it is a party shall continue in full force and effect, and (c) acknowledges and agrees that such pledge and security interest in the Collateral granted by it pursuant to such Collateral Documents shall continue to secure the Obligations purported to be secured thereby, as amended or otherwise affected hereby.

ENCORE CAPITAL GROUP, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND CREDIT MANAGEMENT, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND FUNDING LLC

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND FUNDING NCC-2 CORPORATION

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND INTERNATIONAL LLC

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND PORTFOLIO SERVICES, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MRC RECEIVABLES CORPORATION

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND INDIA LLC

By: /s/ James A. Syran
Name: James A. Syran
Title: President

PROPEL ACQUISITION, LLC

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

Exhibit A

Amended and Restated Credit Agreement

See attached.

Exhibit A to Amendment No. 1

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of November 5, 2012

among

ENCORE CAPITAL GROUP, INC.
as Borrower

THE LENDERS FROM TIME TO TIME PARTY HERETO

and

SUNTRUST BANK
as Administrative Agent and Collateral Agent

BANK OF AMERICA, N.A.
as Syndication Agent

FIFTH THIRD BANK
ING CAPITAL LLC
and
MORGAN STANLEY BANK, N.A.

as Co-Documentation Agents

SUNTRUST ROBINSON HUMPHREY, INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Joint Lead Arrangers and Joint Bookrunners

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AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT (this "Agreement") is made and entered into as of November 5, 2012, by and among ENCORE CAPITAL GROUP, INC., a Delaware corporation (the "Borrower"), the several banks and other financial institutions and lenders from time to time party hereto (the "Lenders"), and SUNTRUST BANK, in its capacity as administrative agent for the Lenders (the "Administrative Agent"), as collateral agent for the Secured Parties, as issuing bank (the "Issuing Bank") and as swingline lender (the "Swingline Lender").

W I T N E S S E T H:

WHEREAS, the Borrower, certain financial institutions and SunTrust Bank, as the Administrative Agent and Collateral Agent, were parties to that certain Credit Agreement dated as of February 8, 2010 (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Credit Agreement");

WHEREAS, the Existing Credit Agreement was amended and restated as of November 5, 2012 (the "Amended Credit Agreement"); and

WHEREAS, the Borrower has requested that the Lenders amend and restate the Amended Credit Agreement to: (a) provide for a restricted/unrestricted subsidiary group structure with respect to the Borrower and its subsidiaries; and (b) modify the Amended Credit Agreement in certain other respects; and subject to the terms and conditions of this Agreement, the Administrative Agent, the Collateral Agent, the Lenders, the Issuing Bank and the Swingline Lender, are willing to do so;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Borrower, the Lenders, the Administrative Agent, the Collateral Agent, the Issuing Bank and the Swingline Lender agree as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION

Section 1.1. Definitions.

In addition to the other terms defined herein, the following terms used herein shall have the meanings herein specified (to be equally applicable to both the singular and plural forms of the terms defined):

"2010 Prudential Senior Secured Notes" means the 7.75% Senior Secured Notes due September 17, 2017 issued by the Borrower pursuant to the terms of the Prudential Senior Secured Note Agreement in connection with the Prudential Financing described in clause (i) of the definition thereof, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"2011 Prudential Senior Secured Notes" means the 7.375% Senior Secured Notes due February 10, 2018 issued by the Borrower pursuant to the terms of the Prudential Senior Secured Note Agreement in connection with the Prudential Financing described in clause (ii) of the definition thereof, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Accounts" means and includes all of the Borrower's and each Restricted Subsidiary's presently existing and hereafter arising or acquired accounts, accounts receivable, and all present and future rights of the Borrower or such Restricted Subsidiary to payment for goods sold or leased or for services rendered (except those evidenced by instruments or chattel paper), whether or not they have been earned by performance, and all rights in any merchandise or goods which any of the same may represent, and all rights, title, security and guarantees with respect to each of the foregoing, including, without limitation, any right of stoppage in transit.

"Acquisition" means any transaction or any series of related transactions, other than a Permitted Restructuring or purchases or acquisitions of Receivables Portfolios in the ordinary course of business, consummated on or after the Closing Date, by which the Borrower or any of its Restricted Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage of voting power) of the outstanding ownership interests of a partnership or limited liability company of any Person; *provided*, *however*, that the following shall not be considered "Acquisitions": (a) any asset purchase consisting solely of Receivables Portfolios and (b) the purchase of stock of an entity (1) the assets of which consist solely of Receivables, (2) which has not engaged in the conduct of business and (3) which has no Indebtedness.

"Additional Lender" shall have the meaning given to such term in Section 2.24(d).

"Adjusted LIBO Rate" shall mean, with respect to each Interest Period for a Eurodollar Borrowing, the greater of (a) the rate per annum obtained by dividing (i) LIBOR for such Interest Period by (ii) a percentage equal to 1.00 *minus* the Eurodollar Reserve Percentage and (b) 0%.

"Administrative Agent" shall have the meaning assigned to such term in the opening paragraph hereof, and any successor Administrative Agent appointed pursuant to the terms of this Agreement.

"Administrative Questionnaire" shall mean, with respect to each Lender, an administrative questionnaire in the form prepared by the Administrative Agent and submitted to the Administrative Agent duly completed by such Lender.

"Advance Rate" means, for the period commencing on the Closing Date to the first Advance Rate Measurement Date, 33%, and, thereafter, for the period from (but not including) each Advance Rate Measurement Date to the immediately succeeding Advance Rate Measurement Date, the percentage obtained by subtracting from the Advance Rate in effect immediately prior to the first day of such period the difference (the "Cost Differential", and which may be a positive or negative number) between:

(a) the average "Cost Per Total Dollar Collected" percentage as shown on the Borrower's consolidated financial statements for the most recent four consecutive fiscal quarters (for which financial statements have been delivered in accordance with Section 5.1(a) or Section 5.1(b)) ending on or before such Advance Rate Measurement Date; and

(b) the average "Cost Per Total Dollar Collected" percentage as shown on the Borrower's consolidated financial statements for the most recent four consecutive fiscal quarters (for which financial statements have been delivered in accordance with Section 5.1(a) or Section 5.1(b)) ending on or before the Advance Rate Measurement Date immediately preceding such Advance Rate Measurement Date;

;provided that if the resulting Cost Differential includes a fractional amount, the fractional portion thereof shall be ignored when determining the Cost Differential on the applicable Advance Rate Measurement Date but shall be added (or subtracted, as applicable) to the Cost Differential obtained on the following Advance Rate Measurement Date (with any resulting fractional portion again being ignored and added (or subtracted, as applicable) subsequently); provided further that, except as set forth in the immediately following proviso, in no event shall the Advance Rate ever be lower than 30% or higher than 35% and provided further that the Advance Rate to be applied with respect to the Estimated Remaining Collections from Debtor Receivables shall in all events be 55%. The Borrower shall set forth in reasonable detail the calculations of the Advance Rate on the Borrowing Base Certificate when delivered in accordance with the terms of this Agreement.

"Advance Rate Measurement Date" means each date on which the Borrower's financial statements required to be delivered pursuant to Section 5.1(a) or Section 5.1(b) have been delivered.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of 10% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting securities, by contract or otherwise.

"Agents" means the Administrative Agent and the Collateral Agent.

"Aggregate Revolving Commitment" means the aggregate principal amount of the Revolving Commitments of all the Lenders, as may be increased or reduced from time to time pursuant to the terms hereof. The Aggregate Revolving Commitment as of the Closing Date is $425,000,000.

"Aggregate Revolving Credit Exposure" means, at any time, the aggregate of the outstanding Revolving Credit Exposure of all the Lenders.

"Agreement" means this Credit Agreement, as it may be amended, restated, supplemented or otherwise modified and as in effect from time to time.

"Agreement Accounting Principles" means generally accepted accounting principles as in effect in the United States from time to time, applied in a manner consistent with that used in preparing the financial statements of the Borrower referred to in Section 4.4.

"Amended Credit Agreement" shall have the meaning assigned to such term in the second recital hereof.

"Amendment Effective Date" means May 9, 2013.

"Amortized Collections" means, for any period, the aggregate amount of collections from receivable portfolios (including that portion attributable to sales of receivables) of the Borrower and its Restricted Subsidiaries calculated on a consolidated basis for such period, in accordance with Agreement Accounting Principles, that are not included in consolidated revenues by reason of the application of such collections to principal of such receivable portfolios (for purposes of illustration only, the Amortized Collections have been most recently identified in the amount of $312,297,000 as the aggregate of "Collections applied to investment in receivable portfolios, net" and "Provision for allowances on receivable portfolios, net" in the Borrower's consolidated statement of cash flows for the period ended December 31, 2011 as reflected in the Borrower's Form 10-K for such period).

"Applicable Lending Office" shall mean, for each Lender and for each Type of Loan, the lending office of such Lender (or an Affiliate of such Lender) designated for such Type of Loan in the Administrative Questionnaire submitted by such Lender or such other office of such Lender (or an Affiliate of such Lender) as such Lender may from time to time specify to the Administrative Agent and the Borrower as the office by which its Loans of such Type are to be made and maintained.

"Applicable Margin" shall mean (a) with respect to interest on all Revolving Loans and Term Loan A outstanding on such date, a percentage per annum determined by reference to the applicable Cash Flow Leverage Ratio in effect on such date as set forth on Schedule I-A and (b) with respect to interest on Term Loan A-1 outstanding on such date, a percentage per annum determined by reference to the applicable Cash Flow Leverage Ratio in effect on such date as set forth on Schedule I-B; provided, that a change in the Applicable Margin resulting from a change in the Cash Flow Leverage Ratio shall be effective on the second Business Day after the date on which the Borrower delivers the financial statements required by Section 5.1(a) or (b) and the Compliance Certificate required by Section 5.1(c); provided further, that if at any time the Borrower shall have failed to deliver such financial statements and such Compliance Certificate when so required, the Applicable Margin shall be at Level III as set forth on Schedule I-A and Schedule I-B, respectively, until such time as such financial statements and

Compliance Certificate are delivered, at which time the Applicable Margin shall be determined as provided above. Notwithstanding the foregoing, the Applicable Margin from the Closing Date until the financial statements and Compliance Certificate for the Fiscal Quarter ending September 30, 2012 are required to be delivered shall be at Level II as set forth on Schedule I-A and Schedule I-B, respectively.

"Applicable Percentage" shall mean, as of any date, with respect to the commitment fee as of such date, the percentage per annum determined by reference to the applicable Cash Flow Leverage Ratio in effect on such date as set forth on Schedule I-A; provided, that a change in the Applicable Percentage resulting from a change in the Cash Flow Leverage Ratio shall be effective on the second Business Day after the date on which the Borrower delivers the financial statements required by Section 5.1(a) or (b) and the Compliance Certificate required by Section 5.1(c); provided further, that if at any time the Borrower shall have failed to deliver such financial statements and such Compliance Certificate when so required, the Applicable Percentage shall be at Level III as set forth on Schedule I-A until such time as such financial statements and Compliance Certificate are delivered, at which time the Applicable Percentage shall be determined as provided above. Notwithstanding the foregoing, the Applicable Percentage for the commitment fee from the Closing Date until the financial statements and Compliance Certificate for the Fiscal Quarter ending September 30, 2012 are required to be delivered shall be at Level II as set forth on Schedule I-A.

"Applicable Pledge Percentage" means 100%, but 65% in the case of a pledge of capital stock of a Foreign Subsidiary to the extent a 100% pledge would cause a Deemed Dividend Problem or a Financial Assistance Problem.

"Applicable Revolver Percentage" means with respect to any Lender holding Revolving Commitments, the percentage of the total Revolving Commitments represented by such Lender's Revolving Commitment. If the Revolving Commitments have terminated or expired, the Applicable Revolver Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments.

"Approved Fund" shall mean any Person (other than a natural Person) that (a) is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and (b) is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" shall mean, collectively, SunTrust Robinson Humphrey, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, in their capacities as joint lead arrangers.

"Asset Acceptance Acquisition" means the acquisition by the Borrower of Asset Acceptance Capital Corp., a Delaware corporation, for a Purchase Price in an amount not to exceed $480,000,000.

"Asset Acceptance Merger Agreement" means that certain Agreement and Plan of Merger dated as of March 6, 2013 among the Borrower, Pinnacle Sub, Inc. and Asset Acceptance Capital Corp, together with all schedules and exhibits thereto.

"Asset Sale" means, with respect to the Borrower or any Restricted Subsidiary, the sale, lease, conveyance, disposition or other transfer by such Person of any of its assets (including by way of a Sale and Leaseback Transaction, and including the sale or other transfer of any of the capital stock or other equity interests of such Person or any Restricted Subsidiary of such Person) to any Person other than the Borrower or any of its Wholly-Owned Subsidiaries other than (i) the sale of Receivables in the ordinary course of business (so long as, after giving effect to each such sale, the Borrower makes the required prepayments and/or reinvestment of proceeds required under Section 2.12(a)), (ii) the sale or other disposition of any obsolete, excess, damaged or worn-out Equipment disposed of in the ordinary course of business, (iii) leases of assets in the ordinary course of business consistent with past practice and (iv) sales or dispositions of assets outside the ordinary course of business with an aggregate fair market value not to exceed, during the term of this Agreement, $20,000,000.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.4(b)) and accepted by the Administrative Agent, in the form of Exhibit A attached hereto or any other form approved by the Administrative Agent.

"Authorized Officer" means any of the President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Treasurer, Assistant Treasurer or Controller of the Borrower, or such other officer of the Borrower as may be designated by the Borrower in writing to the Administrative Agent from time to time, acting singly.

"Availability Period" shall mean the period from the Closing Date to the Revolving Commitment Termination Date.

"Banking Services" means each and any of the following bank services provided to the Borrower or any of its Restricted Subsidiaries by any Lender or any of its Affiliates: (a) commercial credit cards, (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"Banking Services Agreement" means any agreement entered into by the Borrower or any of its Restricted Subsidiaries in connection with Banking Services.

"Banking Services Obligations" means any and all obligations of the Borrower or any of its Restricted Subsidiaries, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"Base Rate" shall mean the highest of (i) the per annum rate which the Administrative Agent publicly announces from time to time as its prime lending rate, as in effect from time to time, (ii) the Federal Funds Rate, as in effect from time to time, *plus* one-half of one percent (0.50%) per annum, (iii) the Adjusted LIBO Rate determined on a daily basis for an Interest Period of one (1) month, *plus* one percent (1.00%) per annum and (iv) zero. The Administrative Agent's prime lending rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Administrative Agent may make

commercial loans or other loans at rates of interest at, above or below the Administrative Agent's prime lending rate. Each change in the any of the rates described above in this definition shall be effective from and including the date such change is announced as being effective.

"Blocked Propel Subsidiary" shall mean any Subsidiary of Propel Acquisition LLC which is subject to any of the encumbrances or restrictions described in Section 7.8.

"Borrower" shall have the meaning in the introductory paragraph hereof.

"Borrowing" shall mean a borrowing consisting of (i) Loans of the same Class and Type, made, converted or continued on the same date and in the case of Eurodollar Loans, as to which a single Interest Period is in effect, or (ii) a Swingline Loan.

"Borrowing Base" means, as of any date of calculation, an amount, as set forth on the most current Borrowing Base Certificate delivered to the Administrative Agent on or prior to such date, equal to (i) the lesser of (1) the Advance Rate of Estimated Remaining Collections (exclusive of any Receivables in any Receivables Portfolio that are not Eligible Receivables) as of the last day of the month for which such Borrowing Base Certificate was provided and (2) the product of the net book value of all Receivables Portfolios acquired by any Loan Party on or after January 1, 2005 multiplied by 95%, minus (ii) the sum of (x) the aggregate principal amount outstanding in respect of the Prudential Senior Secured Notes plus (y) the aggregate principal amount outstanding in respect of the Term Loans (it being understood that the Borrowing Base Certificate provided on the date of any Credit Extension may include, on a pro forma basis, the Receivables Portfolio(s) being acquired in connection with such Credit Extension); provided, however, that, for purposes of calculating the amount specified in clause (1) above (the "Total ERC Amount"), the Advance Rate of Estimated Remaining Collections attributable to Debtor Receivables shall not at any time exceed an amount equal 35% of the Total ERC Amount (without regard to this proviso).

"Borrowing Base Certificate" means a certificate, in substantially the form of Exhibit B, setting forth the Borrowing Base and the component calculations thereof.

"Business Day" shall mean (i) any day other than a Saturday, Sunday or other day on which commercial banks in Atlanta, Georgia are authorized or required by law to close and (ii) if such day relates to a Borrowing of, a payment or prepayment of principal or interest on, a conversion of or into, or an Interest Period for, a Eurodollar Loan or a notice with respect to any of the foregoing, any day on which banks are open for dealings in dollar deposits in the London interbank market.

"Capital Expenditures" means, without duplication, any expenditures for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries prepared in accordance with Agreement Accounting Principles, but excluding, solely for the fiscal year in which each Acquisition is consummated, any such expenditures of any Person or business acquired pursuant to such Acquisition.

"Capital Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capital Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Cash Collateralize" shall mean, in respect of any obligations, to provide and pledge (as a first priority perfected security interest) to the Administrative Agent for the benefit of the holder or beneficiary of such obligations cash collateral for such obligations in Dollars (in amounts, unless otherwise specified herein, equal to 100% of face amount or stated amount such obligations), with a depository institution (which may include the Administrative Agent), and pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent.

"Cash Equivalent Investments" means (i) short-term obligations of, or fully guaranteed by, the United States of America, (ii) commercial paper rated A-1 or better by S&P or P-1 or better by Moody's, (iii) demand deposit accounts maintained in the ordinary course of business and (iv) certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) having capital and surplus in excess of $100,000,000; provided in each case that the same provides for payment of both principal and interest (and not principal alone or interest alone) and is not subject to any contingency regarding the payment of principal or interest.

"Cash Flow Leverage Ratio" shall have the meaning specified in Section 6.1.

"Change in Law" shall mean (i) the adoption of any applicable law, rule or regulation after the date of this Agreement, (ii) any change in any applicable law, rule or regulation, or any change in the interpretation or application thereof, by any Governmental Authority after the date of this Agreement, or (iii) compliance by any Lender (or its Applicable Lending Office) or the Issuing Bank (or for purposes of Section 2.18, by the parent corporation of such Lender or the Issuing Bank, if applicable) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided, however, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means: (i) the acquisition by any Person, or two or more Persons acting in concert (other than Red Mountain Capital Partners LLC, JCF FPK I LP or any affiliate thereof), of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission of the United States (the "SEC") under the Exchange Act) of 30% or more of the outstanding shares of voting stock of the Borrower; (ii) other than pursuant to a

transaction permitted hereunder, the Borrower shall cease to own, directly or indirectly and free and clear of all Liens or other encumbrances, all of the outstanding shares of voting stock of the Guarantors on a fully diluted basis; (iii) the majority of the Board of Directors of the Borrower fails to consist of Continuing Directors; or (iv) the acquisition by Red Mountain Capital Partners LLC, JCF FPK I LP and/or any affiliate of either of them and/or any other Persons acting in concert with any of the foregoing Persons described in this clause (iv) of beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act) of greater than 50% of the outstanding shares of voting stock of the Borrower. No Permitted Restructuring shall constitute a Change of Control.

"Class", when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Extended Revolving Loans, Swingline Loans, Term Loan A, Term Loan A-1, Incremental Term Loans or Extended Term Loans and (b) any Commitment, refers to whether such Commitment is a Revolving Commitment, Incremental Revolving Commitment, Extended Revolving Commitment, a Swingline Commitment, a Term Loan A Commitment or Term Loan A-1 Commitment.

"Closing Date" shall mean the date on which the conditions precedent set forth in Section 3.1 and Section 3.2 have been satisfied or waived in accordance with Section 10.2.

"Code" shall mean the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time, and any rule or regulation issued thereunder.

"Collateral" means all Property and interests in Property now owned or hereafter acquired by the Borrower or any of its Restricted Subsidiaries in or upon which a security interest, lien or mortgage is granted (or is required to be granted pursuant to the terms hereof) in favor of the Collateral Agent pursuant to the Collateral Documents, on behalf of itself and the Secured Parties, to secure the Secured Obligations.

"Collateral Agent" means SunTrust Bank in its capacity as Collateral Agent for the Secured Parties and any successor Collateral Agent appointed pursuant to the terms of the Intercreditor Agreement.

"Collateral Documents" means all agreements, instruments and documents executed in connection with this Agreement that are intended to create or evidence Liens to secure the Secured Obligations, including, without limitation, the Pledge and Security Agreement, the Intellectual Property Security Agreements, the Mortgages and all other security agreements, mortgages, deeds of trust, loan agreements, notes, guarantees, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, fee letters, notices, leases, financing statements and all other written matter whether heretofore, now, or hereafter executed by the Borrower or any of its Restricted Subsidiaries and delivered to the Collateral Agent, on behalf of itself and the Secured Parties, to secure the Secured Obligations.

"Collateral Shortfall Amount" is defined in Section 8.2.

"Commitment" shall mean a Revolving Commitment, an Extended Revolving Commitment, an Incremental Revolving Commitment, a Swingline Commitment or a Term Loan A Commitment, a Term Loan A-1 Commitment or any combination thereof (as the context shall permit or require).

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Compliance Certificate" shall mean a certificate from the chief financial officer or treasurer of the Borrower and containing the certifications set forth in Section 5.1(c).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated EBIT" means Consolidated Net Income plus, to the extent deducted from revenues in determining Consolidated Net Income, (i) Consolidated Interest Expense (whether actual or contingent), (ii) expense for taxes paid or accrued and (iii) any extraordinary losses minus, to the extent included in Consolidated Net Income, (a) interest income, (b) any extraordinary gains, (c) the income of any Person (1) in which any Person other than the Borrower or any of its Restricted Subsidiaries has a joint interest or a partnership interest or other ownership interest and (2) to the extent the Borrower or any of its Restricted Subsidiaries does not control the Board of Directors or other governing body of such Person or otherwise does not control the declaration of a dividend or other distribution by such Person, except in each case to the extent of the amount of dividends or other distributions actually paid to the Borrower or any of its Restricted Subsidiaries by such Person during the relevant period and (d) the income of any Restricted Subsidiary of the Borrower to the extent that the declaration or payment of dividends or distributions (including via intercompany advances or other intercompany transactions but in each case up to and not exceeding the amount of such income) by that Restricted Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary, all calculated for the Borrower and its Restricted Subsidiaries on a consolidated basis.

"Consolidated EBITDA" means Consolidated Net Income plus, (1) to the extent not included in such revenue, Amortized Collections, and (2) to the extent deducted from revenues in determining Consolidated Net Income, (i) Consolidated Interest Expense (whether actual or contingent), (ii) expense for taxes paid or accrued, (iii) depreciation expense, (iv) amortization expense, (v) any extraordinary losses, and (vi) non-cash charges arising from compensation expense as a result of the adoption of amendments to Agreement Accounting Principles requiring certain stock based compensation to be recorded as an expense within the Borrower's consolidated statement of operations, minus, to the extent included in Consolidated Net Income, (a) interest income, (b) any extraordinary gains, (c) the income of any Person (1) in which any Person other than the Borrower or any of its Restricted Subsidiaries has a joint interest or a partnership interest or other ownership interest and (2) to the extent the Borrower or any of its Restricted Subsidiaries does not control the Board of Directors or other governing body of such Person or otherwise does not control the declaration of a dividend or other distribution by such Person, except in each case to the extent of the amount of dividends or other distributions actually paid to the Borrower or any of its Restricted Subsidiaries by such Person during the relevant period and (d) the income of any Restricted Subsidiary of the Borrower to the extent that

the declaration or payment of dividends or distributions (including via intercompany advances or other intercompany transactions but in each case up to and not exceeding the amount of such income) by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, all calculated for the Borrower and its Restricted Subsidiaries on a consolidated basis.

"Consolidated Funded Indebtedness" means at any time the aggregate dollar amount of Consolidated Indebtedness which has actually been funded and is outstanding at such time, whether or not such amount is due or payable at such time.

"Consolidated Indebtedness" means, at any time, the Indebtedness of the Borrower and its Restricted Subsidiaries that would be reflected on a consolidated balance sheet of Borrower prepared in accordance with Agreement Accounting Principles as of such time.

"Consolidated Interest Expense" means, with reference to any period, the interest expense and contingent interest expense of the Borrower and its Restricted Subsidiaries (including that portion attributable to Capital Leases) calculated on a consolidated basis for such period, in accordance with Agreement Accounting Principles.

"Consolidated Net Income" means, with reference to any period, the net income (or loss) of the Borrower and its Restricted Subsidiaries calculated on a consolidated basis for such period in accordance with Agreement Accounting Principles. For the avoidance of doubt, Consolidated Net Income shall exclude any and all income and other amounts attributable to any Unrestricted Subsidiary (other than the amount of any cash dividends or other cash distributions actually paid during the reference period to the Borrower or any of its Restricted Subsidiaries by an Unrestricted Subsidiary).

"Consolidated Net Worth" means at any time, with respect to any Person, the consolidated stockholders' equity of such Person and its Restricted Subsidiaries calculated on a consolidated basis in accordance with Agreement Accounting Principles.

"Consolidated Rentals" means, with reference to any period, the Rentals of the Borrower and its Restricted Subsidiaries calculated on a consolidated basis for such period in accordance with Agreement Accounting Principles.

"Consolidated Tangible Assets" means Consolidated Total Assets *minus* any Intangible Assets.

"Consolidated Tangible Net Worth" means at any time, with respect to any Person, the consolidated stockholders' equity of such Person and its Restricted Subsidiaries calculated on a consolidated basis in accordance with Agreement Accounting Principles *minus* any Intangible Assets.

"Consolidated Total Assets" means the total assets of the Borrower and its Restricted Subsidiaries calculated on a consolidated basis in accordance with Agreement Accounting Principles.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

"Continuing Director" means, with respect to any Person as of any date of determination, any member of the board of directors of such Person who (i) was a member of such board of directors on the Closing Date, or (ii) was nominated for election or elected to such board of directors with the approval of the required majority of the Continuing Directors who were members of such board at the time of such nomination or election.

"Controlled Group" means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"Credit Extension" means the making of a Loan or the issuance of a Letter of Credit hereunder (including the deemed issuance of Existing Letters of Credit on the Closing Date).

"Debtor Receivable" means a Receivable the obligor on which is subject to a proceeding under the Bankruptcy Code of the United States of America.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Deemed Dividend Problem" means, with respect to any Foreign Subsidiary, such Foreign Subsidiary's accumulated and undistributed earnings and profits being deemed to be repatriated to the Borrower or the applicable parent Domestic Subsidiary for U.S. federal income tax purposes and the effect of such repatriation causing adverse tax consequences to the Borrower or such parent Domestic Subsidiary, in each case as determined by the Borrower in its commercially reasonable judgment acting in good faith and in consultation with its legal and tax advisors.

"Default" shall mean any condition or event that, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Default Interest" shall have the meaning set forth in Section 2.13(c).

"Defaulting Lender" shall mean, subject to Section 2.23(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative

Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Issuing Bank, any Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or the Issuing Bank or Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Laws, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that, for the avoidance of doubt, a Lender shall not be a Defaulting Lender solely by virtue of (i) the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority or (ii) in the case of a solvent Person, the precautionary appointment of an administrator, guardian, custodian or other similar official by a Governmental Authority under or based on the law of the country where such Person is subject to home jurisdiction supervision if applicable law requires that such appointment not be publicly disclosed in any such case, where such ownership or action does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.23(b)) upon delivery of written notice of such determination to the Borrower, the Issuing Bank, each Swingline Lender and each Lender.

"Disqualified Stock" means any capital stock or other equity interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the Revolving Loan Termination Date.

"Dollar(s)" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Subsidiary" means any Restricted Subsidiary of any Person organized under the laws of a jurisdiction located in the United States of America.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 10.4(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 10.4(b)(iii)).

"Eligible Receivables" of any Loan Party shall mean, as of any date of determination, (i) Receivables owned by a Loan Party as of the Closing Date, which Receivables were included in the Borrowing Base under the Existing Credit Agreement as of the Closing Date and (ii) Receivables purchased by a Loan Party on or after the Closing Date to the extent such Receivable is owned, or to be purchased by such Loan Party by applying the proceeds of a Credit Extension within five (5) Business Days of the making of such Credit Extension, and in the case of both (i) and (ii) that is payable in Dollars and in which the Collateral Agent has, or upon purchase by such Loan Party, will have, for the benefit of the Secured Parties, a first-priority perfected security interest pursuant to the Collateral Documents, other than any such Receivable:

(a) that is not an existing obligation for which sufficient consideration has been given;

(b) with respect to which such Loan Party does not (or will not, upon the closing of the relevant purchase thereof) have good and marketable title pursuant to a legal, valid and binding bill of sale or purchase agreement entered into by such Loan Party or assignment to such Loan Party;

(c) that has been repurchased by, or returned or put-back to, the Person from whom such Loan Party acquired such Receivable and such Receivable has not subsequently been replaced with a new Receivable of at least comparable value acquired from such Person;

(d) all or any portion of which is subject to any Lien (except the Lien in favor of the Collateral Agent under the Collateral Documents);

(e) that is due from or has been originated by any Restricted Subsidiary or Encore Affiliate;

(f) that is not a type of collateral for which a security interest can be perfected by filing pursuant to Article 9 of the Uniform Commercial Code as then in effect in the State of New York; and

(g) that is owed by (i) the government (or any department, agency, public corporation, or instrumentality thereof) of any country other than the United States of America unless such Receivable is backed by a Letter of Credit acceptable to the Administrative Agent which is in the possession of the Collateral Agent or (ii) the government of the United States of America, or any department, agency, public corporation, or instrumentality or any agency or instrumentality thereof, including any agency or instrumentality which is obligated to make payment with respect to Medicare, Medicaid or other Receivables representing amounts owing under any other program established by federal, State, county, municipal or other local law

which requires that payments for healthcare services be made to the provider of such services in order to comply with any applicable "anti-assignment" provisions, provider agreement or federal, State, county, municipal or other local law, rule or regulation.

"Encore Affiliate" means any Person directly or indirectly controlling, controlled by or under common control with the Borrower. A Person shall be deemed to control another Person if the controlling Person is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of 10% or more of any class of voting securities (or other ownership interests) of the controlled Person *and* possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting securities, by contract or otherwise.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

"Equipment" means all of the Borrower's and each Restricted Subsidiary's present and future (i) equipment, including, without limitation, machinery, manufacturing, distribution, data processing and office equipment, assembly systems, tools, molds, dies, fixtures, appliances, furniture, furnishings, vehicles, vessels, aircraft, aircraft engines, and trade fixtures, (ii) other tangible personal property (other than inventory), and (iii) any and all accessions, parts and appurtenances attached to any of the foregoing or used in connection therewith, and any substitutions therefor and replacements, products and proceeds thereof.

"Equipment Financing Transactions" means the secured equipment financing arrangements of the Loan Parties set forth on Schedule 7.1(a).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute including any regulations promulgated thereunder.

"Estimated Remaining Collections" means, as of any date, the aggregate amount of gross remaining cash collections which any Loan Party anticipates to receive from a Receivables Portfolio of a Loan Party or as otherwise referred to by the Borrower as the total amount of "Estimated Remaining Gross Collections", determined and reported by the Borrower pursuant to its financial statements and other reporting to the Lenders as described in Section 5.1 (it being understood and agreed that (i) such amount shall be calculated by the Borrower in accordance with Agreement Accounting Principles and in a manner consistent with the Borrower's past practice and with the methodology used in the reporting of Estimated Remaining Collections in the Borrower's public filings with the Securities and Exchange Commission, (ii) the manner and method of computing Estimated Remaining Collections and all assumptions made in connection therewith shall be explained to each Lender in reasonably full

detail upon such Lender's request and (iii) any deviation from the current method and assumptions used in computing Estimated Remaining Collections are subject to approval by the Supermajority Lenders in their discretion).

"Eurodollar" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

"Eurodollar Reserve Percentage" shall mean the aggregate of the maximum reserve percentages (including, without limitation, any emergency, supplemental, special or other marginal reserves) expressed as a decimal (rounded upwards to the next 1/100th of 1%) in effect on any day to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate pursuant to regulations issued by the Board of Governors of the Federal Reserve System (or any Governmental Authority succeeding to any of its principal functions) with respect to eurocurrency funding (currently referred to as "eurocurrency liabilities" under Regulation D). Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D. The Eurodollar Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Event of Default" shall have the meaning provided in ARTICLE VIII.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"Excluded Subsidiaries" means each Unrestricted Subsidiary.

"Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guaranty obligations under the Guaranty Agreement of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the guarantee obligations of such Guarantor, or the grant by such Guarantor of the security interest under the Pledge and Security Agreement, becomes effective with respect to such related Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guaranty obligation or security interest is or becomes illegal.

"Excluded Taxes" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Applicable

Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.27) or (ii) such Lender changes its Applicable Lending Office, except in each case to the extent that, pursuant to Section 2.20, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Applicable Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.20(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Credit Agreement" shall have the meaning assigned to such term in the first recital hereof.

"Existing Financing Arrangements" means financing arrangements of the Borrower or any Restricted Subsidiary (other than the transactions under the Loan Documents and the Equipment Financing Transactions) in effect on the Closing Date, including without limitation under the Existing Credit Agreement.

"Existing Letters of Credit" means the letters of credit issued and outstanding under the Existing Credit Agreement as set forth on Schedule 2.22.

"Extended Revolving Commitment" has the meaning assigned to such term in Section 2.25(a).

"Extended Revolving Loan" shall mean the Revolving Loans of any Lender that agrees to an extension of such Revolving Loans pursuant to an Extension.

"Extended Term Loans" has the meaning assigned to such term in Section 2.25(a).

"Extending Term Lender" has the meaning assigned to such term in Section 2.25(a).

"Extension" has the meaning assigned to such term in Section 2.25(a).

"Extension Offer" has the meaning assigned to such term in Section 2.25(a).

"Facility" shall mean, individually, each of the Term Loan Facility and the Revolving Facility and the Term Loan Facility and the Revolving Facility are collectively referred to herein as the "Facilities".

"Fair Market Value" shall mean, with respect to any asset or group of assets on any date of determination, the price in cash obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as reasonably determined in good faith by the Borrower.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 147(b)(1) of the Code.

"Fee Letter" shall mean that certain fee letter, dated as of September 7, 2012, executed by SunTrust Robinson Humphrey, Inc. and SunTrust Bank and accepted by the Borrower.

"Federal Funds Rate" shall mean, for any day, the rate per annum (rounded upwards, if necessary, to the next 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with member banks of the Federal Reserve System arranged by Federal funds brokers, as published by the Federal Reserve Bank of New York on the next succeeding Business Day or if such rate is not so published for any Business Day, the Federal Funds Rate for such day shall be the average rounded upwards, if necessary, to the next 1/100th of 1% of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent.

"Financial Assistance Problem" means, with respect to any Foreign Subsidiary, the inability of such Foreign Subsidiary to become a Guarantor or to permit its capital stock from being pledged pursuant to a pledge agreement on account of legal or financial limitations imposed by the jurisdiction of organization of such Foreign Subsidiary or other relevant jurisdictions having authority over such Foreign Subsidiary, in each case as determined by the Borrower in its commercially reasonable judgment acting in good faith and in consultation with its legal and tax advisors.

"Financial Contract" of a Person means (i) any exchange-traded or over-the-counter futures, forward, swap or option contract or other financial instrument with similar characteristics or (ii) any Rate Management Transaction; *provided* that any Permitted Indebtedness Hedge shall not be a Financial Contract so long as such Permitted Indebtedness Hedge relates to capital stock of Borrower.

"First Tier Foreign Subsidiary" means each Foreign Subsidiary with respect to which any one or more of the Borrower and its Domestic Subsidiaries directly owns or controls more than 50% of such Foreign Subsidiary's issued and outstanding equity interests.

"Foreign Lender" shall mean (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Foreign Subsidiary" means any Restricted Subsidiary of any Person which is not a Domestic Subsidiary of such Person.

"Fronting Exposure" shall mean, at any time there is a Defaulting Lender, (a) with respect to any Issuing Bank, such Defaulting Lender's LC Exposure with respect to Letters of Credit issued by the Issuing Bank other than LC Exposure as to which such Defaulting Lender's

participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender's Swingline Exposure other than Swingline Exposure as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders.

"Governmental Authority" means any nation or government, any foreign, federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government including any central bank or any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank.

"Guarantor" means each Restricted Subsidiary of the Borrower which is a party to the Guaranty Agreement, including each Restricted Subsidiary of the Borrower which becomes a party to the Guaranty Agreement pursuant to a joinder or other supplement thereto, including in connection with a requirement to become a Guarantor pursuant to the terms hereof.

"Guaranty Agreement" means the Amended and Restated Guaranty Agreement, dated as of the Closing Date, made by the Guarantors in favor of the Administrative Agent for the benefit of the Holders of Obligations, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Holders of Obligations" means the holders of the Obligations from time to time and shall refer to (i) each Lender in respect of its Loans, (ii) the Issuing Bank in respect of Reimbursement Obligations, (iii) the Administrative Agent, the Lenders and the Issuing Bank in respect of all other present and future obligations and liabilities of the Borrower or any of its Domestic Subsidiaries of every type and description arising under or in connection with this Agreement or any other Loan Document, (iv) each Lender (or affiliate thereof), in respect of all Rate Management Obligations and Banking Services Obligations of the Borrower or any of its Restricted Subsidiaries to such Lender (or such affiliate) as exchange party or counterparty under any Rate Management Transaction or in connection with any Banking Services Agreements, as applicable, and (v) their respective successors, transferees and assigns.

"Holders of Prudential Note Obligations" means the holders of the Prudential Note Obligations from time to time and shall include their respective successors, transferees and assigns.

"Immaterial Subsidiary" means, as of any date of determination, any Restricted Subsidiary of the Borrower (x) whose consolidated tangible assets (as set forth in the most recent consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered to the Lenders pursuant to this Agreement and computed in accordance with Agreement Accounting Principles), when added to the consolidated tangible assets of all other Immaterial Subsidiaries (as set forth in the most recent consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered to the Lenders pursuant to this Agreement and computed in accordance with Agreement Accounting Principles), do not constitute more than 5.0% of the Consolidated Tangible Assets and (y) whose consolidated net revenue, when added to the consolidated net revenue attributable to all other Immaterial Subsidiaries, does not constitute more than 5.0% of consolidated net revenue of the Borrower and its Restricted Subsidiaries (in each case, as determined for the four fiscal quarter period most recently ended for which financial statements have been delivered to the Lenders pursuant to this Agreement).

"Incremental Facilities" shall have the meaning given such term in Section 2.24(a).

"Incremental Facility Amendment" shall have the meaning given such term in Section 2.24(d).

"Incremental Revolving Commitments" shall have the meaning given such term in Section 2.24(a).

"Incremental Revolving Lender" shall have the meaning given such term in Section 2.24(d).

"Incremental Term Loans" shall have the meaning given such term in Section 2.24(a).

"Indebtedness" of a Person means, at any time, without duplication, such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (other than current accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, bonds, debentures, acceptances, or other instruments, (v) obligations to purchase securities or other Property arising out of or in connection with the sale of the same or substantially similar securities or Property, (vi) Capitalized Lease Obligations, (vii) Contingent Obligations of such Person, (viii) reimbursement obligations under Letters of Credit, bankers' acceptances, surety bonds and similar instruments, (ix) Off-Balance Sheet Liabilities, (x) obligations under Sale and Leaseback Transactions, (xi) Net Mark-to-Market Exposure under Rate Management Transactions and other Financial Contracts, (xii) Rate Management Obligations and (xiii) any other obligation for borrowed money which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person.

"Indemnified Taxes" shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Intangible Assets" means the aggregate amount, for the Borrower and its Restricted Subsidiaries on a consolidated basis, of: (1) all assets classified as intangible assets under Agreement Accounting Principles, including, without limitation, goodwill, trademarks, patents, copyrights, organization expenses, franchises, licenses, trade names, brand names, mailing lists, catalogs, excess of cost over book value of assets acquired, and bond discount and underwriting expenses; (2) loans or advances to, investments in, or receivables from (i) Encore Affiliates, officers, directors, employees or shareholders of the Borrower or any Restricted Subsidiary or (ii) any Person if such loan, advance, investment or receivable is outside the Borrower's or any Restricted Subsidiary's normal course of business; and (3) prepaid expenses; provided that Intangible Assets shall not include deferred court costs, deferred tax assets, deposits under state workers compensation programs and assets of the Borrower's excess deferred compensation plan.

"Intellectual Property Security Agreements" means the amended and restated intellectual property security agreements executed by the applicable Loan Parties on the Closing Date and the intellectual property security agreements as any Loan Party may from time to time after the Closing Date make in favor of the Collateral Agent for the benefit of the Secured Parties, in each case as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Intercreditor Agreement" means the Amended and Restated Intercreditor Agreement, dated as of the date hereof, by and among the Administrative Agent, the Collateral Agent and the Holders of Prudential Note Obligations, substantially in the form of Exhibit 3.1(b)(vi) attached hereto, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Interest Period" shall mean with respect to any Eurodollar Borrowing, a period of one, two, three or six months; provided, that:

(i) the initial Interest Period for such Borrowing shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of another Type), and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(ii) if any Interest Period would otherwise end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day, unless such Business Day falls in another calendar month, in which case such Interest Period would end on the next preceding Business Day;

(iii) any Interest Period which begins on the last Business Day of a calendar month or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period shall end on the last Business Day of such calendar month;

(iv) each principal installment of the Term Loans shall have an Interest Period ending on each installment payment date and the remaining principal balance (if any) of the Term Loans shall have an Interest Period determined as set forth above; and

(v) no Interest Period may extend beyond the Revolving Commitment Termination Date (in the case of Revolving Loans), the Term Loan A Maturity Date (in the case of Term Loan A) or Term Loan A-1 Maturity Date (in the case of Term Loan A-1).

"Investment" of a Person means any loan, advance (other than commission, travel and similar advances to officers, employees made in the ordinary course of business), extension of credit (other than Accounts arising in the ordinary course of business, but including Contingent Obligations with respect to any obligation or liability of another Person) or contribution of capital by such Person; stocks, bonds, mutual funds, partnership interests, notes,

debentures or other securities owned by such Person; any deposit accounts and certificate of deposit owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person. No Permitted Restructuring shall constitute an Investment.

"Issuing Bank" shall mean SunTrust Bank, in its capacity as an issuer of Letters of Credit pursuant to Section 2.22.

"Latest Maturity Date" means, at any date of determination, the latest maturity or expiration date applicable to any Loan or Commitment (or applicable Class of Loan or Commitment) hereunder at such time, including the latest maturity or expiration date of any Incremental Term Loan, any Extended Term Loan, any Incremental Revolving Commitment, any Extended Revolving Loan, or any Extended Revolving Commitment, in each case as extended in accordance with this Agreement from time to time.

"LC Collateral Account" shall have the meaning assigned to such term in Section 2.12(c).

"LC Commitment" shall mean that portion of the Aggregate Revolving Commitment that may be used by the Borrower for the issuance of Letters of Credit in an aggregate face amount equal to $0.

"LC Disbursement" shall mean a payment made by the Issuing Bank pursuant to a Letter of Credit.

"LC Documents" shall mean all applications, agreements and instruments relating to the Letters of Credit (but excluding the Letters of Credit).

"LC Exposure" shall mean, at any time, the sum of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time, *plus* (ii) the aggregate amount of all LC Disbursements that have not been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender shall be its Pro Rata Share of the total LC Exposure at such time.

"Lenders" shall have the meaning assigned to such term in the opening paragraph of this Agreement and shall include, where appropriate, the Swingline Lender and each Additional Lender that joins this Agreement pursuant to Section 2.24(a).

"Letter of Credit" shall mean any stand-by letter of credit issued pursuant to Section 2.22 by the Issuing Bank for the account of the Borrower pursuant to the LC Commitment and the Existing Letters of Credit.

"LIBOR" shall mean, for any Interest Period with respect to a Eurodollar Loan, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page) as the London interbank offered rate for deposits in Dollars at approximately 11:00 a.m. (London, England time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period. If for any reason such rate is not available, LIBOR shall be, for any Interest Period, the rate per annum reasonably determined by the Administrative Agent as the rate of interest at which Dollar

deposits in the approximate amount of the Eurodollar Loan comprising part of such borrowing would be offered by the Administrative Agent to major banks in the London interbank Eurodollar market at their request at or about 10:00 a.m. two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period.

"Lien" shall mean any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capital Lease or other title retention agreement, and, in the case of stock, stockholders agreements, voting trust agreements and all similar arrangements).

"Loan Documents" shall mean, collectively, means this Agreement, the LC Documents, the Collateral Documents, the Guaranty Agreement, the Intercreditor Agreement and all other documents, instruments, notes (including any Notes issued to any Lender (if requested)) and agreements executed in connection herewith or therewith or contemplated hereby or thereby, as the same may be amended, restated or otherwise modified and in effect from time to time.

"Loan Party" means, at any time, any of the Borrower and any Person which is a Guarantor at such time; "Loan Parties" means each Loan Party, collectively.

"Loans" shall mean all Revolving Loans, all Swingline Loans, the Term Loan A and Term Loan A-1 in the aggregate or any of them, as the context shall require.

"Material Adverse Effect" shall mean a material adverse effect on (i) the business, Property, condition (financial or otherwise), operations or results of operations of the Borrower, or the Borrower and its Restricted Subsidiaries taken as a whole, (ii) the ability of the Borrower or any Restricted Subsidiary to perform its obligations under the Loan Documents, or (iii) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Administrative Agent, the Collateral Agent, the Issuing Bank or the Lenders thereunder or their rights with respect to the Collateral.

"Material Indebtedness" means any Indebtedness of the Borrower or any Restricted Subsidiary in an outstanding principal amount of $10,000,000 or more in the aggregate (or the equivalent thereof in any currency other than Dollars).

"Material Indebtedness Agreement" means any agreement under which any Material Indebtedness was created or is governed or which provides for the incurrence of Indebtedness in an amount which would constitute Material Indebtedness (whether or not an amount of Indebtedness constituting Material Indebtedness is outstanding thereunder).

"Medicaid" means the medical assistance program established by Title XIX of the Social Security Act (42. U.S.C. ss. 1396 ET SEQ.) and any successor or similar statutes, as in effect from time to time.

"Medicare" means the health insurance program for the aged and disabled established by Title XVIII of the Social Security Act (42 U.S.C. ss. 1395 ET SEQ.) and any successor or similar statutes as in effect from time to time.

"Minority Investment" of a Person (the "investing person") means an Investment by the investing person in capital stock of another Person (the "target person") where the target person is not, and immediately following such Investment does not become, a Subsidiary of the investing person.

"Moody's" shall mean Moody's Investors Service, Inc., and any successor thereto.

"Mortgage" means each of those certain mortgages and deeds of trust as are entered into by the Loan Parties pursuant hereto or in connection herewith, in each case as amended, restated, supplemented or otherwise modified from time to time.

"Mortgage Instruments" means such title reports, title insurance, opinions of counsel, surveys, appraisals and environmental reports as are requested by, and in form and substance reasonably acceptable to, the Administrative Agent from time to time.

"Mortgaged Properties" means each Loan Party's real Property with a book value equal to or in excess of $1,000,000.

"Multiemployer Plan" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, which is covered by Title IV of ERISA and to which the Borrower or any member of the Controlled Group is obligated or has been obligated within the past six years to make contributions.

"Net Cash Proceeds" means, with respect to any sale or other disposition of Property of the Borrower or any Restricted Subsidiary by any Person, cash (freely convertible into Dollars) received by such Person or any Restricted Subsidiary of such Person from such disposition of Property (including cash received as consideration for the assumption or incurrence of liabilities incurred in connection with or in anticipation of such disposition of Property), or conversion to cash of non-cash proceeds (whether principal or interest, release of escrow arrangements or otherwise) received from any such disposition of Property, in each case after (i) provision for all income or other taxes measured by or resulting from such disposition of Property, (ii) cash payment of all reasonable brokerage commissions and other fees and expenses related to such disposition of Property, and (iii) taking into account all amounts in cash used to repay Indebtedness secured by a Lien on any Property disposed of in such disposition of Property.

"Net Mark-to-Market Exposure" of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Rate Management Transactions. "Unrealized losses" means the fair market value of the cost to such Person of replacing such Rate Management Transaction as of the date of determination (assuming the Rate Management Transaction were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Rate Management Transaction as of the date of determination (assuming such Rate Management Transaction were to be terminated as of that date).

"Non-Defaulting Lender" shall mean, at any time, a Lender that is not a Defaulting Lender.

"Notes" shall mean, collectively, the Revolving Credit Notes, the Swingline Note each Term Note A and each Term Note A-1.

"Notice of Borrowing" shall mean, collectively, the Notices of Revolving Borrowing, and the Notices of Swingline Borrowing.

"Notice of Conversion/Continuation" shall mean the notice given by the Borrower to the Administrative Agent in respect of the conversion or continuation of an outstanding Borrowing as provided in Section 2.7(b).

"Notice of Revolving Borrowing" shall have the meaning as set forth in Section 2.3.

"Notice of Swingline Borrowing" shall have the meaning as set forth in Section 2.4.

"Obligations" shall mean all Loans, all Reimbursement Obligations, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower or any other Loan Party to the Administrative Agent, any Lender, the Swing Line Lender, the Issuing Bank, the Arrangers, any affiliate of the Administrative Agent, any Lender, the Swing Line Lender, the Issuing Bank or the Arrangers, or any indemnitee under the provisions of Section 10.3 or any other provisions of the Loan Documents, in each case of any kind or nature, present or future, arising under this Agreement or any other Loan Document, whether or not evidenced by any note, guaranty or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, foreign exchange risk, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired. The term includes, without limitation, all interest (including any interest accruing after the filing of any petition in bankruptcy or the commencement of any insolvency, reorganization or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), charges, expenses, fees, attorneys' fees and disbursements, paralegals' fees (in each case whether or not allowed), and any other sum chargeable to the Borrower or any other Loan Party under this Agreement or any other Loan Document.

"Off-Balance Sheet Liabilities" of a Person means the principal component of (i) any repurchase obligation or liability of such Person (excluding any such obligation or liability for disposition of Receivables), with respect to Accounts or notes receivable sold by such Person, (ii) any liability under any so-called "synthetic lease" or "tax ownership operating lease" transaction entered into by such Person, or (iii) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheets of such Person, but excluding from this clause (iii) all Operating Leases.

"Officer's Certificate" means a certificate of an Authorized Officer or of any other officer of the Borrower whose responsibilities extend to the subject matter of such certificate.

"Operating Lease" of a Person means any lease of Property (other than a Capital Lease) by such Person as lessee which has an original term (including any required renewals and any renewals effective at the option of the lessor) of one year or more.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.27.

"Participant" shall have the meaning set forth in Section 10.4(d).

"Participant Register" has the meaning specified in clause (d) of Section 10.4.

"Patriot Act" shall have the meaning set forth in Section 10.15.

"Payment Office" shall mean the office of the Administrative Agent located at 303 Peachtree Street, N.E., Atlanta, Georgia 30308, or such other location as to which the Administrative Agent shall have given written notice to the Borrower and the other Lenders.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA, and any successor entity performing similar functions.

"Permitted Acquisition" is defined in Section 7.4.

"Permitted Foreign Subsidiary Investments/Loans" means (i) Investments by any Loan Party in any Foreign Subsidiary and (ii) Indebtedness arising from intercompany loans and advances made by any Loan Party to any Foreign Subsidiary, provided, that the purpose of such Investment or Indebtedness is the acquisition of Receivables.

"Permitted Foreign Subsidiary Non-Recourse Indebtedness" means Indebtedness of Foreign Subsidiaries, provided that (a) no Default exists at the time of or immediately after giving effect to the incurrence of such Indebtedness, (b) such Indebtedness is non-recourse at all

times to the Borrower, the Guarantors and the Domestic Subsidiaries, (c) such Indebtedness does not benefit at any time from any direct or indirect guaranties or other credit support from the Borrower, any Guarantor or any Domestic Subsidiary, and (d) the total principal amount outstanding of such Indebtedness does not exceed 40% of Consolidated Tangible Net Worth at any time.

"Permitted Indebtedness" means Indebtedness permitted by Section 7.1(n).

"Permitted Indebtedness Hedge" means any one or more derivative transactions (including the issuance by Borrower of warrants on its capital stock and the purchase by Borrower of an option on its capital stock) entered into concurrently with Permitted Indebtedness on terms and conditions reasonably satisfactory to the Administrative Agent.

"Permitted Restructuring" means a transaction or series of transactions pursuant to which the Borrower or any Restricted Subsidiary sells, assigns or otherwise transfers Receivables and/or other assets between or among themselves, including transfers to or mergers or consolidations with, or voluntary dissolutions or liquidations into, newly created Wholly-Owned Subsidiaries of the Borrower or the Restricted Subsidiaries, subject to compliance with Section 5.10 and Section 5.11; provided that (i) no Receivables or other assets of Excluded Subsidiaries shall be commingled with the assets of a Loan Party as a result of such Permitted Restructuring, (ii) no such transfers shall take place from a Loan Party to an Excluded Subsidiary or to any other Subsidiary that is not a Loan Party and (iii) such transactions are effected for tax planning and related general corporate purposes.

"Person" shall mean any individual, partnership, firm, corporation, association, joint venture, limited liability company, trust or other entity, or any Governmental Authority.

"Plan" shall mean an employee pension benefit plan, excluding any Multiemployer Plan, which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any member of the Controlled Group may have any liability.

"Pledge and Security Agreement" means that certain Amended and Restated Pledge and Security Agreement, dated as of the Closing Date, by and between the Loan Parties and the Collateral Agent for the benefit of the Secured Parties, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

"Pledge Subsidiary" means each Domestic Subsidiary and First Tier Foreign Subsidiary that is a Restricted Subsidiary.

"Principal Credit Facility" means any loan agreement, credit agreement, note purchase agreement, indenture or similar document under which credit facilities in the aggregate original principal or commitment amount of at least $20,000,000 are provided for.

"Pro Rata Share" shall mean, at any time of determination: (i) with respect to all payments, prepayments, computations and other matters relating to the Term Loan A of any Lender, the percentage obtained by dividing (a) the outstanding principal amount of Term Loan A of such Lender at such time by (b) the aggregate principal amount of Term Loan A of all

Lenders outstanding at such time; (ii) with respect to all payments, prepayments, computations and other matters relating to the Term Loan A-1 of any Lender, the percentage obtained by dividing (a) the outstanding principal amount of Term Loan A-1 of such Lender at such time by (b) the aggregate principal amount of Term Loan A-1 of all Lenders outstanding at such time (iii) with respect to all payments, prepayments, computations and other matters relating to the Revolving Commitment or Revolving Loans of any Lender or any Letters of Credit issued or participations purchased (or to be purchased) therein by any Lender or any participations in any Swingline Loans purchased (or to be purchased) by any Lender, the percentage obtained by dividing (a) the Revolving Credit Exposure of such Lender at such time by (b) the aggregate Revolving Credit Exposure of all Lenders at such time; (iv) with respect to all payments, prepayments, computations and other matters relating to Incremental Term Loans of any Lender, the percentage obtained by dividing (a) the outstanding principal amount of Incremental Term Loans of such Lender at such time by (b) the aggregate principal amount of Incremental all Term Loans outstanding at such time and (v) with respect to the LC Exposure or the Swingline Exposure of any Lender, the percentage obtained by dividing (a) such Lender's Revolving Commitment in effect at such time (or if such Revolving Commitment has been terminated or expired in accordance with the terms hereof, the amount of such Revolving Commitment as in effect immediately prior to such termination or expiration) by (b) the aggregate Revolving Commitment of all Lenders (or if the Revolving Commitments of all Lenders have been terminated or expired in accordance with the term hereof, the aggregate Revolving Commitment of all Lenders as in effect immediately prior to such termination or expiration). For all other purposes with respect to each Lender, including indemnification and/or reimbursement obligations under Section 9.8 and Section 10.3 (d), "Pro Rata Share" shall mean, as of any date of determination, the percentage obtained by dividing (A) an amount equal to the sum of (i) the then outstanding principal amount of all Term Loans and Incremental Term Loans of such Lender and (ii) the Revolving Credit Exposure of such Lender at such time by (B) an amount equal to the sum of (i) the aggregate principal amount of all Term Loans and all Incremental Term Loans outstanding at such time and (ii) the aggregate Revolving Credit Exposure of all Lenders at such time. The foregoing shall be subject to any adjustments necessary to give effect to the requirements of Section 2.24.

"Propel" means Propel Financial Services, LLC, a Texas limited liability company.

"Propel Acquisition" means the acquisition by Propel Acquisition LLC of the Propel Group.

"Propel Acquisition LLC" means a Subsidiary of the Borrower that is a Delaware limited liability company formed for the purpose of acquiring the Propel Group.

"Propel Group" means Propel and its Subsidiaries and each other entity acquired by Propel Acquisition LLC as part of the same transaction as the acquisition of Propel.

"Propel Indebtedness" means the Indebtedness incurred by one or more Subsidiaries of Propel Acquisition LLC in connection with the Propel Acquisition and the on-going financing of the operations and business of such Subsidiaries of Propel Acquisition LLC.

"Propel Principal Collections" means the aggregate amount of collections of the Propel Group (but not constituting Amortized Collections) which are not included in the revenues of any member of the Propel Group by reason of the application of such collections to the principal of such receivables.

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Prudential Financing" means, collectively (i) the issuance of Indebtedness of the Borrower in an aggregate principal amount of $50,000,000 pursuant to the Prudential Senior Secured Note Agreement, evidenced by the 2010 Prudential Senior Secured Notes, together with the Indebtedness under the guaranties in respect thereof, secured on a pari passu basis with the Obligations pursuant to the Intercreditor Agreement, with a maturity date of September 17, 2017 and with the same (or no more onerous) terms relating to amortization and other scheduled principal payments in respect of the 2010 Prudential Senior Secured Notes as in effect on September 20, 2010 and (ii) the issuance of Indebtedness of the Borrower in an aggregate principal amount of $25,000,000 pursuant to the Prudential Senior Secured Note Agreement, evidenced by the 2011 Prudential Senior Secured Notes, together with the Indebtedness under the guaranties in respect thereof, secured on a pari passu basis with the Obligations pursuant to the Intercreditor Agreement, with a maturity date of February 10, 2018, and with the same (or no more onerous) terms relating to amortization and other scheduled principal payments in respect of the 2011 Prudential Senior Secured Notes as in effect on February 10, 2011.

"Prudential Note Obligations" means the Prudential Senior Secured Notes and other obligations of the Borrower and the Guarantors under the Prudential Financing, secured on a pari passu basis with the Obligations pursuant to the Intercreditor Agreement.

"Prudential Senior Secured Note Agreement" means that certain Amended and Restated Senior Secured Note Purchase Agreement, dated as of February 10, 2011, by and between the Borrower, on the one hand, and the purchasers named therein, on the other hand, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Prudential Senior Secured Notes" means, collectively, the 2010 Prudential Senior Secured Notes and the 2011 Prudential Senior Secured Notes.

"Purchase Price" means the total consideration and other amounts payable in connection with any Acquisition, including, without limitation, any portion of the consideration payable in cash, all Indebtedness, liabilities and contingent obligations incurred or assumed in connection with such Acquisition and all transaction costs and expenses incurred in connection with such Acquisition.

"Ratable Share" means, at any time, the aggregate principal amount of all Loans outstanding at such time as a percentage of the sum of (x) the aggregate principal amount of all Loans outstanding at such time *plus* (y) the aggregate principal amount outstanding in respect of the Prudential Senior Secured Notes.

"Rate Management Obligations" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Rate Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

"Rate Management Transaction" means any transaction (including an agreement with respect thereto) now existing or hereafter entered by the Borrower or a Restricted Subsidiary which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures; *provided* that any Permitted Indebtedness Hedge shall not be a Rate Management Transaction so long as such Permitted Indebtedness Hedge relates to capital stock of Borrower.

"Recipient" means (a) the Administrative Agent, (b) any Lender and (c) the Issuing Bank, as applicable.

"Receivable" of any Person shall mean a right of such Person to the payment of money arising out of a consumer transaction, and which right was acquired by such Person with a group of similar rights.

"Receivables Portfolio" of any Person means any group of Receivables acquired by such Person as part of a single transaction.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks, non-banks and non-broker lenders for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"Regulation X" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by foreign lenders for the purpose of purchasing or carrying margin stock (as defined therein).

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the respective managers, administrators, trustees, partners, directors, officers, employees, agents, advisors or other representatives of such Person and such Person's Affiliates.

"Rentals" of a Person means the aggregate rent expense incurred by such Person under any Operating Lease.

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan subject to Title IV of ERISA, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, *provided, however,* that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or variance from the minimum funding standard allowed under Section 412(c) of the Code.

"Reports" is defined in Section 10.3(a).

"Required Lenders" shall mean, at any time, Lenders holding more than 50% of the aggregate outstanding Revolving Commitments and Term Loans at such time or if the Lenders have no Commitments outstanding, then Lenders holding more than 50% of the Revolving Credit Exposure and Term Loans; *provided*, *however*, that to the extent that any Lender is a Defaulting Lender, such Defaulting Lender and all of its unused Commitments and Revolving Credit Exposure and outstanding Term Loans shall be excluded for purposes of determining Required Lenders.

"Responsible Officer" shall mean any of the president, the chief executive officer, the chief operating officer, the chief financial officer, the treasurer, the assistant treasurer or a vice president of the Borrower or such other representative of the Borrower as may be designated in writing by any one of the foregoing with the consent of the Administrative Agent; *provided*, that, with respect to the financial covenants and Compliance Certificate, Responsible Officer shall mean only the chief financial officer or the treasurer of the Borrower.

"Restricted Payment" means (i) any dividend or other distribution, direct or indirect, on account of any equity interests of the Borrower or any of its Restricted Subsidiaries now or hereafter outstanding, except a dividend payable solely in the Borrower's capital stock (other than Disqualified Stock) or in options, warrants or other rights to purchase such capital stock, (ii) any redemption, retirement, purchase or other acquisition for value, direct or indirect, of any equity interests of the Borrower or any of its Restricted Subsidiaries now or hereafter outstanding, other than in exchange for, or out of the proceeds of, the substantially concurrent sale (other than to a Restricted Subsidiary of the Borrower) of other equity interests of the Borrower (other than Disqualified Stock) and (iii) any redemption, purchase, retirement, defeasance, prepayment or other acquisition for value, direct or indirect, of any Indebtedness prior to the stated maturity thereof, other than the Obligations, the Prudential Note Obligations and the Equipment Financing Transactions.

"Restricted Subsidiary" shall mean any Subsidiary that is not an Unrestricted Subsidiary. Unless explicitly set forth to the contrary, a reference to a "Restricted Subsidiary" means a Restricted Subsidiary of the Borrower.

"Revolving Commitment" shall mean, with respect to each Lender, the obligation of such Lender to make Revolving Loans to the Borrower and to participate in Letters of Credit and Swingline Loans in an aggregate principal amount not exceeding the amount set forth with respect to such Lender on Schedule II-A, as such schedule may be amended pursuant to Section 2.24(a), and shall include an Extended Revolving Commitment of such Lender, as the context may require, or in the case of a Person becoming a Lender after the Closing Date through an assignment of an existing Revolving Commitment, the amount of the assigned "Revolving Commitment" as provided in the Assignment and Acceptance executed by such Person as an assignee, as the same may be increased or decreased pursuant to terms hereof.

"Revolving Commitment Termination Date" shall mean the earliest of (i) November 3, 2017, (ii) the date on which the Revolving Commitments are terminated pursuant to Section 2.9 and (iii) the date on which all amounts outstanding under this Agreement have been declared or have automatically become due and payable (whether by acceleration or otherwise); provided, that, with respect to any Extended Revolving Commitment (and the Extended Revolving Loans made pursuant thereto), the termination date set forth in the Extension Offer with respect thereto.

"Revolving Credit Exposure" shall mean, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans, LC Exposure and Swingline Exposure.

"Revolving Credit Note" shall mean a promissory note of the Borrower payable to the order of a requesting Lender in the principal amount of such Lender's Revolving Commitment, in substantially the form of Exhibit C.

"Revolving Facility" shall mean the extensions of credit made hereunder by Lenders holding a Revolving Commitment.

"Revolving Loan" shall mean a loan made by a Lender (other than the Swingline Lender) to the Borrower under its Revolving Commitment, which may either be a Base Rate Loan or a Eurodollar Loan.

"S&P" shall mean Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., and any successor thereto.

"Sale and Leaseback Transaction" means any sale or other transfer of Property by any Person with the intent to lease such Property as lessee.

"Secured Obligations" means, collectively, (i) the Obligations, (ii) all Rate Management Obligations owing in connection with Rate Management Transactions to any Lender or any affiliate of any Lender, (iii) all Banking Services Obligations owing to any Lender or any affiliate of any Lender and (iv) the Prudential Note Obligations; provided, that "Secured Obligations" shall not include any Excluded Swap Obligations.

"Secured Parties" means the Holders of Obligations and the Holders of Prudential Note Obligations, if any.

"Single Employer Plan" means a Plan maintained by the Borrower or any member of the Controlled Group.

"Subordinated Indebtedness" of a Person means any Indebtedness (other than Indebtedness arising from intercompany loans and advances) of such Person the payment of which is subordinated to payment of the Secured Obligations.

"Subordinated Indebtedness Documents" means any document, agreement or instrument evidencing any Subordinated Indebtedness or entered into in connection with any Subordinated Indebtedness.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Subsidiary Redesignation" shall have the meaning assigned thereto in the definition of "Unrestricted Subsidiary" below.

"Substantial Portion" means, with respect to the Property of the Borrower and its Restricted Subsidiaries, Property which represents more than 5% of Consolidated Tangible Assets or Property which is responsible for more than 5% of the consolidated net revenues of the Borrower and its Restricted Subsidiaries, in each case, as would be shown in the consolidated financial statements of the Borrower and its Restricted Subsidiaries as at the beginning of the twelve-month period ending with the month in which such determination is made (or if financial statements have not been delivered hereunder for that month which begins the twelve-month period, then the financial statements delivered hereunder for the quarter ending immediately prior to that month).

"Supermajority Lenders" means Lenders in the aggregate having at least 66 $^{2}/_{3}$% of the sum of the Aggregate Revolving Commitment (or, if all of the Revolving Commitments are terminated pursuant to the terms of this Agreement, the Aggregate Revolving Credit Exposure at such time).

"Swap Obligation" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Swingline Commitment" shall mean the commitment of the Swingline Lender to make Swingline Loans in an aggregate principal amount equal to $0.

"Swingline Exposure" shall mean, with respect to each Lender, the principal amount of the Swingline Loans in which such Lender is legally obligated either to make a Base Rate Loan or to purchase a participation in accordance with Section 2.4, which shall equal such Lender's Pro Rata Share of all outstanding Swingline Loans.

"Swingline Lender" shall mean SunTrust Bank.

"Swingline Loan" shall mean a loan made to the Borrower by the Swingline Lender under the Swingline Commitment.

"Swingline Note" shall mean the promissory note of the Borrower payable to the order of the Swingline Lender in the principal amount of the Swingline Commitment, in substantially the form of Exhibit D.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges, assessments or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan Facility" shall mean the extensions of credit made hereunder by Lenders holding a Term Loan Commitment.

"Term Loan" shall mean (i) individually, Term Loan A or Term Loan A-1 and (ii) collectively, Term Loan A and Term Loan A-1, and shall include Extended Term Loans, as the context may require.

"Term Loan A" shall have the meaning set forth in Section 2.5.

"Term Loan A-1" shall have the meaning set forth in Section 2.5.

"Term Loan A Maturity Date" shall mean, the earlier of (i) November 3, 2017 or (ii) the date on which the principal amount of all outstanding Term Loans have been declared or automatically have become due and payable (whether by acceleration or otherwise); provided, that, with respect to any Extended Term Loans, the maturity date set forth in the Extension Offer with respect thereto.

"Term Loan A-1 Maturity Date" shall mean, the earlier of (i) November 4, 2015 or (ii) the date on which the principal amount of all outstanding Term Loans have been declared or automatically have become due and payable (whether by acceleration or otherwise); provided, that, with respect to any Extended Term Loans, the maturity date set forth in the Extension Offer with respect thereto.

"Term Loan Commitment" shall mean (i) individually, the Term Loan A Commitment or the Term Loan A-1 Commitment and (ii) collectively, the Term Loan A Commitment and the Term Loan a-1 Commitment.

"Term Loan A Commitment" shall mean, with respect to a Lender, the obligation of such Lender to make a Term Loan A hereunder on the Closing Date in a principal amount not exceeding the amount set forth with respect to such Lender on Schedule II-A. As of the Closing Date, the aggregate principal amount of all Lenders' Term Loan A Commitments is $100,000,000.

"Term Loan A-1 Commitment" shall mean, with respect to a Lender, the obligation of such Lender to make a Term Loan A-1 hereunder on the Closing Date in a principal amount not exceeding the amount set forth with respect to such Lender on Schedule II-B. As of the Closing Date, the aggregate principal amount of all Lenders' Term Loan A-1 Commitments is $50,000,000.

"Term Note A" shall mean a promissory note of the Borrower payable to the order of a requesting Lender in the principal amount of such Lender's Term Loan A Commitment, in substantially the form of Exhibit E-1.

"Term Note A-1" shall mean a promissory note of the Borrower payable to the order of a requesting Lender in the principal amount of such Lender's Term Loan A-1 Commitment, in substantially the form of Exhibit E-2.

"Type", when used in reference to a Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Base Rate.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in paragraph (f) of Section 2.20.

"Unfunded Liabilities" means the amount (if any) by which the present value of all vested and unvested accrued benefits under each Single Employer Plan subject to Title IV of ERISA exceeds the fair market value of all such Plan's assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan for which a valuation report is available, using actuarial assumptions for funding purposes as set forth in such report.

"Unrestricted Subsidiary" shall mean (a) any Subsidiary designated by the Borrower as an "Unrestricted Subsidiary" hereunder by written notice to the Administrative Agent; provided that the Borrower shall only be permitted to so designate a Subsidiary as an Unrestricted Subsidiary if each of the following conditions are satisfied: (i) immediately before and after giving effect to such designation, (x) no Default or Event of Default shall have occurred and be continuing or shall exist and (y) the Borrower shall be in pro forma compliance with each of the covenants set forth in ARTICLE VI as of the last day of the most recently ended Fiscal Quarter for which financial statements have been delivered pursuant to Section 5.1(a) or (b), as applicable, together with the consolidating financial statements relating thereto required under Section 5.1(d) (after giving effect to such designation of such Subsidiary as an Unrestricted Subsidiary), (ii) no Subsidiary may be designated as an Unrestricted Subsidiary if, after giving effect to such designation, it (or any of its Subsidiaries) (x) would be a "Restricted Subsidiary" for the purpose of the Prudential Senior Secured Note Agreement, any Incremental Facility or any other Material Indebtedness of the Borrower or a Restricted Subsidiary pursuant to which a Subsidiary may be designated an "Unrestricted Subsidiary" or (y) would be a co-borrower or guarantor (or provide security or any other form of credit enhancement) for the purpose of the Prudential Senior Secured Note Agreement, any Incremental Facility or any other

Material Indebtedness of the Borrower or a Restricted Subsidiary, (iii) the designation of any Subsidiary as an Unrestricted Subsidiary shall constitute an Investment by the Borrower therein at the date of designation in an amount equal to the greater of (I) the portion (proportionate to the Borrowers' direct or indirect equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary (and any Subsidiaries thereof) and (II) the Fair Market Value of the Borrowers' direct or indirect equity interest in such Subsidiary, in each case, at the time that such Subsidiary is designated an Unrestricted Subsidiary and the Borrower shall be permitted to make such Investment under Section 7.4(k), (iv) neither the Borrower nor any Restricted Subsidiary shall at any time be directly, indirectly or contingently liable for any Indebtedness or other liability of any Unrestricted Subsidiary, except to the extent the same would constitute a permitted Investment under Section 7.4(k), (v) any Subsidiary to be so designated does not (directly, or indirectly through its own Subsidiaries or otherwise) own any capital stock of, or own or hold any Lien on any property of, the Borrower or any Restricted Subsidiary, (vi) such designation shall have occurred after the Amendment Effective Date (and, for the avoidance of doubt, each of the Subsidiaries of the Borrower shall initially be Restricted Subsidiaries, regardless of whether it is existing as of the Amendment Effective Date or is thereafter formed or acquired, and shall remain a Restricted Subsidiary until designated as an Unrestricted Subsidiary in accordance with this definition) and (vii) the Borrower shall have delivered to the Administrative Agent an officer's certificate executed by a Responsible Officer of the Borrower, certifying compliance with each of the requirements of the preceding clauses (i) through (vi) and (b) any Subsidiary of an Unrestricted Subsidiary. The Borrower may designate any Unrestricted Subsidiary to be a Restricted Subsidiary for purposes of this Agreement (each, a "Subsidiary Redesignation"); provided that (A) immediately before and after such Subsidiary Redesignation, no Default or Event of Default shall have occurred and be continuing or shall exist, (B) the designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence at the time of such designation of any Indebtedness or Liens of such Subsidiary existing at such time, (C) the Borrower shall be in pro forma compliance with each of the covenants set forth in ARTICLE VI as of the last day of the most recently ended Fiscal Quarter for which financial statements have been delivered pursuant to Section 5.1(a) or (b), as applicable, together with the consolidating financial statements relating thereto required under Section 5.1(d) (after giving effect to such Subsidiary Redesignation), (D) all representations and warranties contained herein and in the other Loan Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of such Subsidiary Redesignation (both before and after giving effect thereto), unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, (E) such Subsidiary Redesignation shall constitute a return on any Investment by the Borrower in Unrestricted Subsidiaries that are subject to such Subsidiary Redesignation in an amount equal to the greater of (i) the portion (proportionate to the Borrowers' direct or indirect equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary (and any Subsidiaries thereof) and (ii) the Fair Market Value of the Borrowers' direct or indirect equity interest in such Subsidiary, in each case, at the date of such Subsidiary Redesignation of the Borrower's or its Subsidiary's (as applicable) Investment in such Subsidiary), (F) the Borrower shall cause the Subsidiary that is the subject of such Subsidiary Redesignation to comply with, to the extent applicable, Section 5.10 and Section 5.11 and (G) the Borrower shall have delivered to the Administrative Agent an officer's certificate executed by a Responsible Officer of the

Borrower, certifying compliance with the requirements of the preceding clauses (A) through (E); provided, further, that no Unrestricted Subsidiary that has been designated as a Restricted Subsidiary pursuant to a Subsidiary Redesignation may again be designated as an Unrestricted Subsidiary. For the avoidance of doubt, the results of operations, cash flows, assets and indebtedness or other liabilities of Unrestricted Subsidiaries will not be taken into account or consolidated with the accounts of any Loan Party or Restricted Subsidiary for any purpose under this Agreement (other than for the financial statements required to be delivered pursuant to Sections 5.1(a) and (b)) or the other Loan Documents, including for the purposes of determining any financial calculation contained in this Agreement.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"Wholly-Owned Subsidiary" means (i) any Restricted Subsidiary all of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, by the Borrower or one or more wholly-owned Restricted Subsidiaries of the Borrower, or by the Borrower and one or more wholly-owned Restricted Subsidiaries of the Borrower, or (ii) any partnership, limited liability company, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled by a Person referred to in clause (i) above.

"Withholding Agent" means the Borrower and the Administrative Agent.

Section 1.2. Classifications of Loans and Borrowings.

For purposes of this Agreement, Loans may be classified and referred to by Class (e.g. a "Revolving Loan", "Term Loan A" or "Term Loan A-1") or by Type (e.g. a "Eurodollar Loan" or "Base Rate Loan") or by Class and Type (e.g. "Revolving Eurodollar Loan"). Borrowings also may be classified and referred to by Class (e.g. "Revolving Borrowing") or by Type (e.g. "Eurodollar Borrowing") or by Class and Type (e.g. "Revolving Eurodollar Borrowing").

Section 1.3. Accounting Terms and Determination.

If any changes in generally accepted accounting principles are hereafter required or permitted and are adopted by the Borrower or any of its Restricted Subsidiaries with the agreement of its independent certified public accountants and such changes result in a change in the method of calculation of any of the financial covenants, tests, restrictions or standards herein or in the related definitions or terms used therein ("Accounting Changes"), the parties hereto agree, at the Borrower's request or the Administrative Agent's request, to enter into negotiations, in good faith, in order to amend such provisions in a credit neutral manner so as to reflect equitably such changes with the desired result that the criteria for evaluating the Borrower's and

its Restricted Subsidiaries' financial condition shall be the same after such changes as if such changes had not been made; *provided*, *however*, until such provisions are amended in a manner reasonably satisfactory to the Administrative Agent and the Required Lenders, no Accounting Change shall be given effect in such calculations. The parties hereto agree that any such amendment entered into as a result of a change in the accounting principles relating to the treatment of operating leases, including the capitalization thereof, would be effected at no cost to the Borrower (other than the reasonable attorney's fees of the Administrative Agent). In the event such amendment is entered into, all references in this Agreement to Agreement Accounting Principles shall mean generally accepted accounting principles as of the date of such amendment. Notwithstanding the foregoing, all financial statements to be delivered by the Borrower pursuant to Section 5.1 shall be prepared in accordance with generally accepted accounting principles in effect at such time. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any of its Restricted Subsidiaries at "fair value", as defined therein.

Section 1.4. Terms Generally.

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the word "to" means "to but excluding". Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as it was originally executed or as it may from time to time be amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns (including, without limitation, a debtor in possession on its behalf), (iii) the words "hereof", "herein" and "hereunder" and words of similar import shall be construed to refer to this Agreement as a whole and not to any particular provision hereof, (iv) all references to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles, Sections, Exhibits and Schedules to this Agreement; (v) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. To the extent that any of the representations and warranties contained in ARTICLE IV under this Agreement is qualified by "Material Adverse Effect", then the qualifier "in all material respects" contained in Section 3.2(b) and the qualifier "in any material respect" contained in Section 8.1(b) shall not apply. Unless otherwise indicated, all references to time are references to Eastern Standard Time or Eastern Daylight Savings Time, as the case may be.

Unless otherwise expressly provided herein, all references to dollar amounts shall mean Dollars. In determining whether any individual event, act, condition or occurrence of the foregoing types could reasonably be expected to result in a Material Adverse Effect, notwithstanding that a particular event, act, condition or occurrence does not itself have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event, act, condition or occurrence and all other such events, acts, conditions or occurrences of the foregoing types which have occurred could reasonably be expected to result in a Material Adverse Effect.

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENTS

Section 2.1. General Description of Facilities.

Subject to and upon the terms and conditions herein set forth, (i) the Lenders hereby establish in favor of the Borrower a revolving credit facility pursuant to which each Lender severally agrees (to the extent of such Lender's Revolving Commitment) to make Revolving Loans to the Borrower in accordance with Section 2.2, (ii) the Issuing Bank agrees to issue Letters of Credit in accordance with Section 2.22, (iii) the Swingline Lender agrees to make Swingline Loans in accordance with Section 2.4, (iv) each Lender agrees to purchase a participation interest in the Letters of Credit and the Swingline Loans pursuant to the terms and conditions hereof; provided, that in no event shall the aggregate principal amount of all outstanding Revolving Loans, Swingline Loans and outstanding LC Exposure exceed at any time the Aggregate Revolving Commitment from time to time in effect; and (v) each Lender severally agrees to make a Term Loan to the Borrower in a principal amount not exceeding such Lender's Term Loan Commitment on the Closing Date.

Section 2.2. Revolving Loans.

Subject to the terms and conditions set forth herein, each Lender severally (and not jointly) agrees to make Revolving Loans, ratably in proportion to its Pro Rata Share, to the Borrower, from time to time during the Availability Period, in an aggregate principal amount outstanding at any time that will not result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Commitment or (b) the sum of the aggregate Revolving Credit Exposures of all Lenders exceeding the lesser of (i) the Aggregate Revolving Commitment and (ii) the Borrowing Base, in each case, then in effect. During the Availability Period, the Borrower shall be entitled to borrow, prepay and reborrow Revolving Loans in accordance with the terms and conditions of this Agreement; *provided*, that the Borrower may not borrow or reborrow should there exist a Default or Event of Default.

Section 2.3. Procedure for Revolving Borrowings.

The Borrower shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of each Revolving Borrowing substantially in the form of Exhibit 2.3 (a "Notice of Revolving Borrowing") (x) prior to 2:00 p.m. one (1) Business Day prior to the requested date of each Base Rate Borrowing and (y) prior to 2:00 p.m. three (3) Business Days prior to the requested date of each Eurodollar Borrowing. Each Notice of

Revolving Borrowing shall be irrevocable and shall specify: (i) the aggregate principal amount of such Borrowing, (ii) the date of such Borrowing (which shall be a Business Day), (iii) the Type of such Revolving Loan comprising such Borrowing and (iv) in the case of a Eurodollar Borrowing, the duration of the initial Interest Period applicable thereto (subject to the provisions of the definition of Interest Period). Each Revolving Borrowing shall consist entirely of Base Rate Loans or Eurodollar Loans, as the Borrower may request. The aggregate principal amount of each Eurodollar Borrowing shall be not less than $250,000 or a larger multiple of $50,000, and the aggregate principal amount of each Base Rate Borrowing shall not be less than $250,000 or a larger multiple of $50,000; provided, that Base Rate Loans made pursuant to Section 2.4 or Section 2.22(d) may be made in lesser amounts as provided therein. At no time shall the total number of Eurodollar Borrowings outstanding at any time exceed 20. Promptly following the receipt of a Notice of Revolving Borrowing in accordance herewith, the Administrative Agent shall advise each Lender of the details thereof and the amount of such Lender's Revolving Loan to be made as part of the requested Revolving Borrowing.

Section 2.4. Swingline Commitment.

(a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower, from time to time during the Availability Period, in an aggregate principal amount outstanding at any time not to exceed the lesser of (i) the Swingline Commitment then in effect and (ii) the difference between (x) the lesser of (1) the Aggregate Revolving Commitment and (2) the Borrowing Base in effect at such time *minus* (y) the aggregate Revolving Credit Exposures of all Lenders; *provided*, that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. The Borrower shall be entitled to borrow, repay and reborrow Swingline Loans in accordance with the terms and conditions of this Agreement.

(b) The Borrower shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of each Swingline Borrowing substantially in the form of Exhibit 2.4 attached hereto ("Notice of Swingline Borrowing") prior to 10:00 a.m. on the requested date of each Swingline Borrowing. Each Notice of Swingline Borrowing shall be irrevocable and shall specify: (i) the principal amount of such Swingline Loan, (ii) the date of such Swingline Loan (which shall be a Business Day) and (iii) the account of the Borrower to which the proceeds of such Swingline Loan should be credited. The Administrative Agent will promptly advise the Swingline Lender of each Notice of Swingline Borrowing. Each Swingline Loan shall accrue interest at the Base Rate plus the Applicable Margin. The aggregate principal amount of each Swingline Loan shall be not less than $100,000 or a larger multiple of $50,000, or such other minimum amounts agreed to by the Swingline Lender and the Borrower. The Swingline Lender will make the proceeds of each Swingline Loan available to the Borrower in Dollars in immediately available funds at the account specified by the Borrower in the applicable Notice of Swingline Borrowing not later than 1:00 p.m. on the requested date of such Swingline Loan.

(c) The Swingline Lender, at any time and from time to time in its sole discretion, may, on behalf of the Borrower (which hereby irrevocably authorizes and directs the Swingline Lender to act on its behalf), and shall, on behalf of the Borrower (which hereby irrevocably authorizes and directs the Swingline Lender to act on its behalf) on the fifth (5th)

Business Day following each Swingline Borrowing give a Notice of Revolving Borrowing to the Administrative Agent requesting the Lenders (including the Swingline Lender) to make Base Rate Loans in an amount equal to the unpaid principal amount of any Swingline Loan. Each Lender will make the proceeds of its Base Rate Loan included in such Borrowing available to the Administrative Agent for the account of the Swingline Lender in accordance with Section 2.7, which will be used solely for the repayment of such Swingline Loan.

(d) If for any reason a Base Rate Borrowing may not be (as determined in the sole discretion of the Administrative Agent), or is not, made in accordance with the foregoing provisions, then each Lender (other than the Swingline Lender) shall purchase an undivided participating interest in such Swingline Loan in an amount equal to its Pro Rata Share thereof on the date that such Base Rate Borrowing should have occurred. On the date of such required purchase, each Lender shall promptly transfer, in immediately available funds, the amount of its participating interest to the Administrative Agent for the account of the Swingline Lender.

(e) Each Lender's obligation to make a Base Rate Loan pursuant to Section 2.4(c) or to purchase the participating interests pursuant to Section 2.4(d) shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation (i) any setoff, counterclaim, recoupment, defense or other right that such Lender or any other Person may have or claim against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the existence of a Default or an Event of Default or the termination of any Lender's Revolving Commitment, (iii) the existence (or alleged existence) of any event or condition which has had or could reasonably be expected to have a Material Adverse Effect, (iv) any breach of this Agreement or any other Loan Document by the Borrower, the Administrative Agent or any Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If such amount is not in fact made available to the Swingline Lender by any Lender, the Swingline Lender shall be entitled to recover such amount on demand from such Lender, together with accrued interest thereon for each day from the date of demand thereof (i) at the Federal Funds Rate until the second Business Day after such demand and (ii) at the Base Rate at all times thereafter. Until such time as such Lender makes its required payment, the Swingline Lender shall be deemed to continue to have outstanding Swingline Loans in the amount of the unpaid participation for all purposes of the Loan Documents. In addition, such Lender shall be deemed to have assigned any and all payments made of principal and interest on its Loans and any other amounts due to it hereunder, to the Swingline Lender to fund the amount of such Lender's participation interest in such Swingline Loans that such Lender failed to fund pursuant to this Section 2.4, until such amount has been purchased in full.

(f) If the Revolving Commitment Termination Date shall have occurred in respect of any tranche of Revolving Commitments at a time when another tranche of Revolving Commitments is in effect with a longer Revolving Commitment Termination Date as a result of an Extension, then on the earlier occurring Revolving Commitment Termination Date all then outstanding Swingline Loans shall be repaid in full on such date.

Section 2.5. Term Loan Commitments.

Subject to the terms and conditions set forth herein, each Lender severally agrees to make (or be deemed to make) on the Closing Date (i) a single term loan to the Borrower (the

"Term Loan A") in a principal amount equal to the Term Loan A Commitment of such Lender and (ii) subject to Section 2.24(e), a single term loan to the Borrower (the "Term Loan A-1") in a principal amount equal to the Term Loan A-1 Commitment of such Lender; provided, that if for any reason the full amount of any such Lender's Term Loan Commitment is not fully drawn on the Closing Date, the undrawn portion thereof shall automatically be cancelled. The Term Loans may be, from time to time, Base Rate Loans or Eurodollar Loans or a combination thereof; provided, that on the Closing Date all Term Loans shall be Base Rate Loans. The execution and delivery of this Agreement by the Borrower and the satisfaction of all conditions precedent pursuant to Section 3.1 shall be deemed to constitute the Borrower's request to borrow the Term Loans on the Closing Date.

Section 2.6. Funding of Borrowings.

(a) Each Lender will make available each Loan to be made by it hereunder on the proposed date thereof by wire transfer in immediately available funds by 11:00 a.m. to the Administrative Agent at the Payment Office; provided, that the Swingline Loans will be made as set forth in Section 2.4. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts that it receives, in like funds by the close of business on such proposed date, to an account maintained by the Borrower with the Administrative Agent or at the Borrower's option, by effecting a wire transfer of such amounts to an account designated by the Borrower to the Administrative Agent.

(b) Unless the Administrative Agent shall have been notified by any Lender prior to 5:00 p.m. one (1) Business Day prior to the date of a Borrowing in which such Lender is to participate that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date, and the Administrative Agent, in reliance on such assumption, may make available to the Borrower on such date a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender on the date of such Borrowing, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest at the Federal Funds Rate until the second Business Day after such demand and thereafter at the Base Rate. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower, and the Borrower shall immediately pay such corresponding amount to the Administrative Agent together with interest at the rate specified for such Borrowing. Nothing in this subsection shall be deemed to relieve any Lender from its obligation to fund its Pro Rata Share of any Borrowing hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any default by such Lender hereunder.

(c) All Revolving Borrowings shall be made by the Lenders on the basis of their respective Pro Rata Shares. No Lender shall be responsible for any default by any other Lender in its obligations hereunder, and each Lender shall be obligated to make its Loans provided to be made by it hereunder, regardless of the failure of any other Lender to make its Loans hereunder.

Section 2.7. Interest Elections.

(a) Each Borrowing initially shall be of the Type specified in the applicable Notice of Borrowing, and in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Notice of Borrowing. Thereafter, the Borrower may elect to convert such Borrowing into a different Type or to continue such Borrowing, and in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.7. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall NOT apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section 2.7, the Borrower shall give the Administrative Agent prior written notice (or telephonic notice promptly confirmed in writing) of each Borrowing substantially in the form of Exhibit 2.7 attached hereto (a "Notice of Conversion/Continuation") that is to be converted or continued, as the case may be, (x) prior to 10:00 a.m. one (1) Business Day prior to the requested date of a conversion into a Base Rate Borrowing and (y) prior to 11:00 a.m. three (3) Business Days prior to a continuation of or conversion into a Eurodollar Borrowing. Each such Notice of Conversion/Continuation shall be irrevocable and shall specify (i) the Borrowing to which such Notice of Conversion/Continuation applies and if different options are being elected with respect to different portions thereof, the portions thereof that are to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) shall be specified for each resulting Borrowing); (ii) the effective date of the election made pursuant to such Notice of Conversion/Continuation, which shall be a Business Day, (iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing; and (iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of "Interest Period". If any such Notice of Conversion/Continuation requests a Eurodollar Borrowing but does not specify an Interest Period, the Borrower shall be deemed to have selected an Interest Period of one (1) month. The principal amount of any resulting Borrowing shall satisfy the minimum borrowing amount for Eurodollar Borrowings and Base Rate Borrowings set forth in Section 2.3.

(c) If, on the expiration of any Interest Period in respect of any Eurodollar Borrowing, the Borrower shall have failed to deliver a Notice of Conversion/ Continuation, then, unless such Borrowing is repaid as provided herein, the Borrower shall be deemed to have elected to convert such Borrowing to a Base Rate Borrowing. No Borrowing may be converted into, or continued as, a Eurodollar Borrowing if a Default or an Event of Default exists, unless the Administrative Agent and each of the Lenders shall have otherwise consented in writing. No conversion of any Eurodollar Loans shall be permitted except on the last day of the Interest Period in respect thereof.

(d) Upon receipt of any Notice of Conversion/Continuation, the Administrative Agent shall promptly notify each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

Section 2.8. Optional Reduction and Termination of Commitments.

(a) Unless previously terminated, all Revolving Commitments, Swingline Commitments and LC Commitments shall terminate on the Revolving Commitment Termination Date. The Term Loan Commitments shall terminate on the Closing Date upon the making of the Term Loans pursuant to Section 2.6.

(b) Upon at least three (3) Business Days' prior written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent (which notice shall be irrevocable; provided that any notice of prepayment delivered by the Borrower under this Section 2.8 may state that such notice is conditioned upon the effectiveness of other transactions, in which case such notice may be revoked or delayed by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied), the Borrower may reduce the Aggregate Revolving Commitments in part or terminate the Aggregate Revolving Commitments in whole; provided, that (i) any partial reduction shall apply to reduce proportionately and permanently the Revolving Commitment of each Lender, (ii) any partial reduction pursuant to this Section 2.8 shall be in an amount of at least $5,000,000 and any larger multiple of $1,000,000, and (iii) no such reduction shall be permitted which would reduce the Aggregate Revolving Commitment to an amount less than the Aggregate Revolving Credit Exposure. Any such reduction in the Aggregate Revolving Commitment below the principal amount of the Swingline Commitment or the LC Commitment shall result in a dollar-for-dollar reduction (rounded to the next lowest integral multiple of $100,000) in the Swingline Commitment and the LC Commitment. Any reduction or termination of Revolving Commitments pursuant to this Section shall not be subject to reinstatement (other than increases pursuant to Section 2.24(a). The Administrative Agent will promptly notify the Lenders upon receipt of any written request by the Borrower to reduce or terminate the Aggregate Revolving Commitments pursuant to this Section.

(c) The Borrower may terminate the unused amount of the Revolving Commitment of any Lender that is a Defaulting Lender upon not less than five (5) Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 2.23(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided that (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, the Issuing Bank, the Swingline Bank or any Lender may have against such Defaulting Lender.

Section 2.9. Repayment of Loans.

(a) The outstanding principal amount of all Revolving Loans shall be due and payable (together with accrued and unpaid interest thereon) on the Revolving Commitment Termination Date.

(b) The principal amount of each Swingline Borrowing shall be due and payable (together with accrued and unpaid interest thereon) on the earlier of (i) the fifth Business Day following each Swingline Borrowing and (ii) the Revolving Commitment Termination Date.

(c) The Borrower unconditionally promises to pay to the Administrative Agent for the account of each Lender, based on each Lender's Pro Rata Share, the aggregate outstanding principal amount of the Term Loans in consecutive quarterly installments on the last Business Day of each of March, June, September and December commencing on December 31, 2012 in the principal amount equal to the aggregate Term Loans outstanding immediately after closing on the Closing Date (subject to Section 2.24(e); it being understood that if any portion of the Term Loan A-1 if funded after the Closing Date, such portion of the Term Loan A-1 funded after the Closing Date shall nonetheless be included for purposes of determining the amortization payment schedule under this clause (c)) multiplied by (i) 1.25%, for the first eight (8) such quarterly installments, (ii) 1.875%, for the next four (4) quarterly installments thereafter and (iii) 2.5%, for the next eight (8) quarterly installments thereafter; provided, that, to the extent not previously paid, the aggregate unpaid principal balance of (x) the Term Loan A-1 shall be due and payable on the Term Loan A-1 Maturity Date and (y) the Term Loan A shall be due and payable on the Term Loan A Maturity Date; provided, further, in the event the entire outstanding principal amount of the Term Loan A-1 is repaid on the Term Loan A-1 Maturity Date, the principal payments required to be made under clause (iii) immediately above will be multiplied by the aggregate Term Loan A outstanding immediately after closing on the Closing Date rather than the aggregate Term Loans.

(d) Not later than six (6) months prior to the initial Term Loan A-1 Maturity Date, any Lender holding all or any portion of Term Loan A-1 shall provide written notice to the Borrower of its election whether or not to extend the Term Loan A-1 Maturity Date in accordance with Section 2.25 for a period of two (2) years (it being agreed that any Extension with respect to Term Loan A-1 shall be for a minimum of two (2) years).

Section 2.10. Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice appropriate records evidencing the Indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Lender from time to time under this Agreement. The Administrative Agent shall maintain appropriate records in which shall be recorded (i) the Revolving Commitment and Term Loan Commitment of each Lender, (ii) the amount of each Loan made hereunder by each Lender, the Class and Type thereof and, with respect to any Eurodollar Loan, the Interest Period applicable thereto, (iii) the date of each continuation thereof pursuant to Section 2.8, (iv) the date of each conversion of all or a portion thereof to another Type pursuant to Section 2.8, (v) the date and amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder in respect of such Loans and (vi) both the date and amount of any sum received by the Administrative Agent hereunder from the Borrower in respect of the Loans and each Lender's Pro Rata Share thereof. The entries made in such records shall be *prima facie* evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, that the failure or delay of any Lender or the Administrative Agent in maintaining or making entries into any such record or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans (both principal and unpaid accrued interest) of such Lender in accordance with the terms of this Agreement.

(b) At the request of any Lender at any time, the Borrower agrees that it will execute and deliver to such Lender a Revolving Credit Note, a Term Note A, a Term Note A-1 and/or a Swingline Note, payable to the order of such Lender.

Section 2.11. Optional Prepayments.

The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, without premium or penalty, by giving irrevocable written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent no later than (i) in the case of prepayment of any Eurodollar Borrowing, 11:00 a.m. not less than three (3) Business Days prior to any such prepayment, (ii) in the case of any prepayment of any Base Rate Borrowing, not less than one Business Day prior to the date of such prepayment, and (iii) in the case of Swingline Borrowings, prior to 11:00 a.m. on the date of such prepayment. Each such notice shall be irrevocable and shall specify the proposed date of such prepayment and the principal amount of each Borrowing or portion thereof to be prepaid. Upon receipt of any such notice, the Administrative Agent shall promptly notify each affected Lender of the contents thereof and of such Lender's Pro Rata Share of any such prepayment. If such notice is given, the aggregate amount specified in such notice shall be due and payable on the date designated in such notice, together with accrued interest to such date on the amount so prepaid in accordance with Section 2.14(e); provided, that if a Eurodollar Borrowing is prepaid on a date other than the last day of an Interest Period applicable thereto, the Borrower shall also pay all amounts required pursuant to Section 2.19. Each partial prepayment of any Loan (other than a Swingline Loan) shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type pursuant to Section 2.2 or in the case of a Swingline Loan pursuant to Section 2.4. Each prepayment of a Borrowing shall be applied ratably to the Loans comprising such Borrowing; provided, that, notwithstanding anything to the contrary herein, any prepayment of any Term Loan pursuant to this Section 2.11 shall be made on a pro rata basis to each of Term Loan A and Term Loan A-1 (with the application of such prepayment to be, as to each of Term Loan A and Term Loan A-1, to principal installments thereof in inverse order of maturity).

Notwithstanding anything to the contrary in this Agreement, any notice of prepayment delivered by the Borrower under this Section 2.11 may state that such notice is conditioned upon the effectiveness of other transactions, in which case such notice may be revoked or delayed by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

Section 2.12. Mandatory Prepayments.

(a) Within 10 Business Days after the consummation of any sale or other disposition of Property (including the sale or other disposition of Receivables) by the Borrower or any Restricted Subsidiary if the aggregate fair market value of the consideration received by the Borrower or its Restricted Subsidiaries for such sale or other disposition, together with the aggregate fair market value of the consideration received by the Borrower or its Restricted Subsidiaries for all other such sales or other dispositions consummated during the period of twelve consecutive months immediately preceding the consummation of such sale or other disposition, exceeds $25,000,000, the Borrower shall deliver an Officer's Certificate to the

Administrative Agent and the Lenders (notifying the Administrative Agent and the Lenders thereof and certifying the amount of Net Cash Proceeds received from such sales or other dispositions during such period). Unless within 5 Business Days after receipt of such Officer's Certificate the Administrative Agent, on behalf of the Required Lenders, shall have notified the Borrower of the Required Lenders' election to forego prepayment, then on the date that is 7 Business Days after the date on which the Borrower shall have delivered such Officer's Certificate to the Administrative Agent and the Lenders the Borrower shall make a prepayment of the Loans in an amount equal to the Ratable Share of the amount of Net Cash Proceeds certified in such Officer's Certificate (or such lesser principal amount as shall then be outstanding), at 100% of the principal amount so prepaid. Notwithstanding the foregoing, (i) up to 100% of the Net Cash Proceeds of such sales or other dispositions with respect to which the Borrower shall have given the Administrative Agent written notice (set forth in the applicable Officer's Certificate delivered pursuant to the first sentence of this clause (a)) of its intention to repair or replace the Property subject to any such sale or other disposition or invest such Net Cash Proceeds in the purchase of Property (other than securities, unless those securities represent equity interests in an entity that becomes a Guarantor or an Unrestricted Subsidiary permitted hereunder (and provided that if such Guarantor or Unrestricted Subsidiary is a newly formed Person, such Person shall promptly use the portion of the Net Cash Proceeds received by it for the sale of its equity interests in order to purchase Property to be used by it in its business)) to be used by one or more of the Borrower or the Guarantors in their businesses (such repair, replacement or investment referred to as a "Reinvestment") within six (6) months following such sale or other disposition, shall not be subject to the provisions of the first two sentences of this clause (a) unless and to the extent that such applicable period shall have expired without such repair, replacement or investment having been made, and (ii) only the Net Cash Proceeds from sales or other dispositions of Property (including the sale or other disposition of Receivables) with a fair market value of the consideration received therefor in excess of $25,000,000 (above and beyond the fair market value of the consideration of the dispositions of the Property with respect to which the Net Cash Proceeds shall have been subject to Reinvestment) shall be subject to the provisions of the first two sentences of this clause (a).

(b) Any prepayments made by the Borrower pursuant to Section 2.12(a) above shall be applied by the Administrative Agent as follows: first to repay Term Loans on a pro rata basis as to each of Term Loan A, Term Loan A-1 and, unless otherwise provided in the Incremental Facility Amendment applicable to the related Incremental Term Loan, each Incremental Term Loan (with the application of such prepayment to be, as to each of Term Loan A, Term Loan A-1 and Incremental Term Loan, to the remaining scheduled principal installments owing in respect of such Term Loan under Section 2.9(c) (or, in the case of Incremental Term Loans, as set forth in the Incremental Facility Amendment applicable to the related Incremental Term Loan) on a pro rata basis (including the final installment due and payable on each such Term Loan)), second, to repay outstanding Swingline Loans and third to repay outstanding Revolving Loans. All prepayments in respect of Revolving Loans required under clause (b) shall be accompanied by a concurrent, automatic, irrevocable reduction and partial termination of the Revolving Commitments in an amount equal to such required prepayment, with such reduction and partial termination allocated ratably among the Lenders in proportion to their respective Pro Rata Share.

(c) If at any time the Revolving Credit Exposure of all Lenders exceeds the lesser of (i) the Aggregate Revolving Commitment and (ii) the Borrowing Base, in each case, then in effect, the Borrower shall immediately repay Revolving Loans in an amount equal to such excess (or, if such excess exceeds $10,000,000, the Ratable Share of such excess), together with all accrued and unpaid interest on such excess amount and any amounts due under Section 2.20. Each prepayment shall be applied first to the Base Rate Loans to the full extent thereof, and next to Eurodollar Loans to the full extent thereof. If such excess (or if the excess is greater than $10,000,000, the Ratable Share of such excess) is greater than the outstanding principal amount of the Revolving Loans, the Borrower shall Cash Collateralize its reimbursement obligations with respect to the Letters of Credit by depositing cash collateral in an amount equal to such excess (or, if the excess is greater than $10,000,000, the Ratable Share of the remaining excess) plus any accrued and unpaid fees thereon into a special collateral account pursuant to arrangements satisfactory to the Administrative Agent (the "LC Collateral Account") at the Payment Office, in the name of the Borrower but under the sole dominion and control of the Administrative Agent, for the benefit of the Lenders and in which the Borrower shall have no interest other than as set forth in Section 8.2. The Borrower hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the ratable benefit of the Lenders and the Issuing Bank, a Lien in all of the Borrower's right, title and interest in and to all funds which may from time to time be on deposit in the LC Collateral Account to secure the prompt and complete payment and performance of the Obligations. The Administrative Agent will invest any funds on deposit from time to time in the LC Collateral Account in certificates of deposit of SunTrust Bank having a maturity not exceeding 30 days. The LC Collateral Account shall be administered in accordance with Section 2.22(g) hereof. If, after the date that the Borrower Cash Collateralizes its reimbursement obligations pursuant to this Section, (x) the Revolving Credit Exposure of all Lenders is less than the lesser of the (i) Aggregate Revolving Commitment and (ii) the Borrowing Base, in each case, then in effect, for a period of at least ten (10) consecutive Business Days, and (y) no Default or Event of Default then exists, the funds in the LC Collateral Account shall be released by the Administrative Agent to the Borrower.

Section 2.13. Interest on Loans.

(a) The Borrower shall pay interest on each Base Rate Loan at the Base Rate in effect from time to time and on each Eurodollar Loan at the Adjusted LIBO Rate for the applicable Interest Period in effect for such Loan, *plus*, in each case, the Applicable Margin in effect from time to time.

(b) The Borrower shall pay interest on each Swingline Loan at the Base Rate plus the Applicable Margin in effect from time to time.

(c) Notwithstanding clauses (a) and (b) above, if an Event of Default has occurred and is continuing, at the option of the Required Lenders, and after acceleration (in which case, such increase shall be automatic), the Borrower shall pay interest ("Default Interest") with respect to all Eurodollar Loans at the rate per annum equal to 2.0% above the otherwise applicable interest rate for such Eurodollar Loans for the then-current Interest Period until the last day of such Interest Period, and thereafter, and with respect to all Base Rate Loans and all other Obligations hereunder (other than Loans), at the rate per annum equal to 2.0% above the otherwise applicable interest rate for Base Rate Loans.

(d) Interest on the principal amount of all Loans shall accrue from and including the date such Loans are made to but excluding the date of any repayment thereof. Interest on all outstanding Base Rate Loans shall be payable quarterly in arrears on the last day of each March, June, September and December and on the Revolving Commitment Termination Date, the Term Loan A Maturity Date or the Term Loan A-1 Maturity Date, as the case may be. Interest on all outstanding Eurodollar Loans shall be payable on the last day of each Interest Period applicable thereto, and, in the case of any Eurodollar Loans having an Interest Period in excess of three months or 90 days, respectively, on each day which occurs every three months or 90 days, as the case may be, after the initial date of such Interest Period, and on the Revolving Commitment Termination Date the Term Loan A Maturity Date or the Term Loan A-1 Maturity Date, as the case may be. Interest on each Swingline Loan shall be payable on the maturity date of such Loan, which shall be the fifth Business Day following such Swingline Borrowing, and on the Revolving Commitment Termination Date. Interest on any Loan which is converted into a Loan of another Type or which is repaid or prepaid shall be payable on the date of such conversion or on the date of any such repayment or prepayment (on the amount repaid or prepaid) thereof. All Default Interest shall be payable on demand.

(e) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder and shall promptly notify the Borrower and the Lenders of such rate in writing (or by telephone, promptly confirmed in writing). Any such determination shall be conclusive and binding for all purposes, absent manifest error.

Section 2.14. Fees.

(a) The Borrower shall pay to the Administrative Agent for its own account fees in the amounts and at the times previously agreed upon in writing by the Borrower and the Administrative Agent.

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Percentage per annum (determined daily in accordance with Schedule I-A) on the daily amount of the unused Revolving Commitment of such Lender during the Availability Period. For purposes of computing commitment fees with respect to the Revolving Commitments, the Revolving Commitment of each Lender shall be deemed used to the extent of the outstanding Revolving Loans and LC Exposure, but not Swingline Exposure, of such Lender.

(c) The Borrower agrees to pay (i) to the Administrative Agent, for the account of each Lender, a letter of credit fee with respect to its participation in each Letter of Credit, which shall accrue at a rate per annum equal to the Applicable Margin for Eurodollar Loans then in effect on the average daily amount of such Lender's LC Exposure attributable to such Letter of Credit during the period from and including the date of issuance of such Letter of Credit to but excluding the date on which such Letter of Credit expires or is drawn in full (including without limitation any LC Exposure that remains outstanding after the Revolving Commitment Termination Date) and (ii) to the Issuing Bank for its own account a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the Availability Period (or until the date that such Letter of Credit is irrevocably cancelled,

whichever is later), as well as the Issuing Bank's standard fees with respect to issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Notwithstanding the foregoing, if the Required Lenders elect to increase the interest rate on the Loans to the Default Interest pursuant to Section 2.13(c), the rate per annum used to calculate the letter of credit fee pursuant to clause (i) above shall automatically be increased by an additional 2% per annum.

(d) The Borrower shall pay to the Administrative Agent, for the ratable benefit of each Lender, the upfront fee previously agreed upon by the Borrower and the Administrative Agent, if any, which shall be due and payable on the Closing Date.

(e) Accrued fees under paragraphs (b) and (c) above shall be payable quarterly in arrears on the last day of each March, June, September and December, commencing on December 31, 2012 and on the Revolving Commitment Termination Date (and if later, the date the Loans and LC Exposure shall be repaid in their entirety); provided further, that any such fees accruing after the Revolving Commitment Termination Date shall be payable on demand.

Section 2.15. Computation of Interest and Fees.

Interest hereunder based on the Administrative Agent's prime lending rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed). Each determination by the Administrative Agent of an interest amount or fee hereunder shall be made in good faith and, except for manifest error, shall be final, conclusive and binding for all purposes.

Section 2.16. Inability to Determine Interest Rates.

If prior to the commencement of any Interest Period for any Eurodollar Borrowing,

(i) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant interbank market, adequate means do not exist for ascertaining LIBOR for such Interest Period, or

(ii) the Administrative Agent shall have received notice from the Required Lenders that the Adjusted LIBO Rate does not adequately and fairly reflect the cost to such Lenders of making, funding or maintaining their (or its, as the case may be) Eurodollar Loans for such Interest Period,

the Administrative Agent shall give written notice (or telephonic notice, promptly confirmed in writing) to the Borrower and to the Lenders as soon as practicable thereafter. Until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) the obligations of the Lenders to make Eurodollar

Revolving Loans or to continue or convert outstanding Loans as or into Eurodollar Loans shall be suspended and (ii) all such affected Loans shall be converted into Base Rate Loans on the last day of the then current Interest Period applicable thereto unless the Borrower prepays such Loans in accordance with this Agreement. Unless the Borrower notifies the Administrative Agent at least one Business Day before the date of any Eurodollar Revolving Borrowing for which a Notice of Revolving Borrowing or Notice of Conversion/Continuation has previously been given that it elects not to borrow on such date, then such Revolving Borrowing shall be made as a Base Rate Borrowing.

Section 2.17. Illegality.

If any Change in Law shall make it unlawful or impossible for any Lender to make, maintain or fund any Eurodollar Loan and such Lender shall so notify the Administrative Agent, the Administrative Agent shall promptly give notice thereof to the Borrower and the other Lenders, whereupon until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such suspension no longer exist, the obligation of such Lender to make Eurodollar Revolving Loans, or to continue or convert outstanding Loans as or into Eurodollar Loans, shall be suspended. In the case of the making of a Eurodollar Revolving Borrowing, such Lender's Revolving Loan shall be made as a Base Rate Loan as part of the same Revolving Borrowing for the same Interest Period and if the affected Eurodollar Loan is then outstanding, such Loan shall be converted to a Base Rate Loan either (i) on the last day of the then current Interest Period applicable to such Eurodollar Loan if such Lender may lawfully continue to maintain such Loan to such date or (ii) immediately if such Lender shall determine that it may not lawfully continue to maintain such Eurodollar Loan to such date. Notwithstanding the foregoing, the affected Lender shall, prior to giving such notice to the Administrative Agent, designate a different Applicable Lending Office if such designation would avoid the need for giving such notice and if such designation would not otherwise be disadvantageous to such Lender in the good faith exercise of its discretion.

Section 2.18. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank; or

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or on the Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or any Loans made by such Lender or any Letter of Credit or any participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, the Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, the Issuing Bank or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Issuing Bank or other Recipient, the Borrower will pay to such Lender, the Issuing Bank or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank determines that any Change in Law affecting such Lender or the Issuing Bank or any lending office of such Lender or such Lender's or the Issuing Bank's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time, the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section 2.18 shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate any Lender or the Issuing Bank pursuant to this Section 2.18 for any increased cost or reduction in respect of a period occurring more than six (6) months prior to the date that such Lender or the Issuing Bank notifies the Borrower of such intention to claim compensation therefor unless the circumstances giving rise to such increased cost or reduction became applicable retroactively, in which case no such time limitation shall apply so long as such Lender or the Issuing Bank requests compensation within six (6) months from the date such circumstances became applicable.

Section 2.19. Funding Indemnity.

In the event of (a) the payment of any principal of a Eurodollar Loan other than on the last day of the Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion or continuation of a Eurodollar Loan other than on the last day of the Interest Period applicable thereto, or (c) the failure by the Borrower to borrow, prepay, convert or continue any Eurodollar Loan on the date specified in any applicable notice (regardless of whether such notice is withdrawn or revoked), then, in any such event, the Borrower shall compensate each Lender, within five (5) Business Days after written demand from such Lender, for any loss, cost or expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense shall be deemed to include an amount determined by such Lender to be the excess, if any, of (A) the amount of interest that would have accrued on the principal amount of such Eurodollar Loan if such event had not occurred at the Adjusted LIBO Rate applicable to such Eurodollar Loan for the period from the date of such event to the last day of the then current Interest Period therefor (or in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Eurodollar Loan) over (B) the amount of interest that would accrue on the principal amount of such Eurodollar Loan for the same period if the Adjusted LIBO Rate were set on the date such Eurodollar Loan was prepaid or converted or the date on which the Borrower failed to borrow, convert or continue such Eurodollar Loan. A certificate as to any additional amount payable under this Section 2.19 submitted to the Borrower by any Lender (with a copy to the Administrative Agent) shall be conclusive, absent manifest error.

Section 2.20. Taxes.

(a) For purposes of this Section, the term "Lender" includes the Issuing Bank and the term "applicable law" includes FATCA.

(b) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any

reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.4(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (e).

(f) As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in clauses (ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall

be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Closing Date.

(h) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 2.20(h)(plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.20(h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.20(h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 2.20(h) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

Section 2.21. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.18, Section 2.19 or Section 2.20, or otherwise) prior to 12:00 noon on the date when due, in immediately available funds, free and clear of any defenses, rights of set-off, counterclaim, or withholding or deduction of taxes. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the Payment Office, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Section 2.18, Section 2.19 and Section 2.20 and Section 10.3 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be made payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, to the fees and reimbursable expenses of the Administrative Agent then due and payable pursuant to any of the Loan Documents, (ii) second, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, (iii) third, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties, and (iv) fourth, towards payment of all other Obligations then due, ratably among the parties entitled thereto in accordance with the amounts of such Obligations then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its Pro Rata Share, then the Lender receiving such greater proportion shall (x) notify the Administrative Agent of such fact, and (y) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that: (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be

rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to (1) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (2) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) The Administrative Agent will promptly distribute amounts due hereunder to the Lenders from the Borrower only after such amounts have been paid by the Borrower to, and receipt thereof has been confirmed by, the Administrative Agent.

Section 2.22. Letters of Credit.

(a) During the Availability Period, the Issuing Bank, in reliance upon the agreements of the other Lenders pursuant to Section 2.22(e), agrees to issue, at the request of the Borrower, Letters of Credit for the account of the Borrower on the terms and conditions hereinafter set forth; provided, that (i) each Letter of Credit shall expire on the earlier of (A) the date one year after the date of issuance of such Letter of Credit (or in the case of any renewal or extension thereof, one year after such renewal or extension) and (B) the date that is five (5) Business Days prior to the Revolving Commitment Termination Date; (ii) each Letter of Credit shall be in a stated amount of at least $100,000; and (iii) the Borrower may not request any Letter of Credit, if, after giving effect to such issuance (A) the aggregate LC Exposure would exceed the LC Commitment or (B) the aggregate Revolving Credit Exposure of all Lenders would exceed the lesser of (i) the Aggregate Revolving Commitment and (ii) the Borrowing Base, in each case, then in effect. Each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Bank without recourse a participation in each Letter of Credit equal to such Lender's Pro Rata Share of the aggregate amount available to be drawn under such Letter of Credit (i) on the Closing Date with respect to all Existing Letters of Credit and (ii) on the date of issuance with respect to all other Letters of Credit. Each issuance of a Letter of Credit shall be deemed to utilize the Revolving Commitment of each Lender by an amount equal to the amount of such participation.

(b) To request the issuance of a Letter of Credit (or any amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall give the Issuing Bank and the Administrative Agent irrevocable written notice at least three (3) Business Days prior to the requested date of such issuance specifying the date (which shall be a Business Day) such Letter of Credit is to be issued (or amended, extended or renewed, as the case may be), the expiration date of such Letter of Credit, the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. In addition to the satisfaction of the conditions in ARTICLE III, the issuance of such Letter of Credit (or any amendment which increases the amount of such

Letter of Credit) will be subject to the further conditions that such Letter of Credit shall be in such form and contain such terms as the Issuing Bank shall approve and that the Borrower shall have executed and delivered any additional applications, agreements and instruments relating to such Letter of Credit as the Issuing Bank shall reasonably require; provided, that in the event of any conflict between such applications, agreements or instruments and this Agreement, the terms of this Agreement shall control.

(c) At least two Business Days prior to the issuance of any Letter of Credit, the Issuing Bank will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received such notice and if not, the Issuing Bank will provide the Administrative Agent with a copy thereof. Unless the Issuing Bank has received notice from the Administrative Agent on or before the Business Day immediately preceding the date the Issuing Bank is to issue the requested Letter of Credit (1) directing the Issuing Bank not to issue the Letter of Credit because such issuance is not then permitted hereunder because of the limitations set forth in Section 3.2 or that one or more conditions specified in ARTICLE III are not then satisfied, then, subject to the terms and conditions hereof, the Issuing Bank shall, on the requested date, issue such Letter of Credit in accordance with the Issuing Bank's usual and customary business practices.

(d) The Issuing Bank shall examine all documents purporting to represent a demand for payment under a Letter of Credit promptly following its receipt thereof. The Issuing Bank shall notify the Borrower and the Administrative Agent of such demand for payment and whether the Issuing Bank has made or will make a LC Disbursement thereunder; provided, that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Lenders with respect to such LC Disbursement. The Borrower shall be irrevocably and unconditionally obligated to reimburse the Issuing Bank for any LC Disbursements paid by the Issuing Bank in respect of such drawing, without presentment, demand or other formalities of any kind. Unless the Borrower shall have notified the Issuing Bank and the Administrative Agent prior to 11:00 a.m. on the Business Day immediately prior to the date on which such drawing is honored that the Borrower intends to reimburse the Issuing Bank for the amount of such drawing in funds other than from the proceeds of Revolving Loans, the Borrower shall be deemed to have timely given a Notice of Revolving Borrowing to the Administrative Agent requesting the Lenders to make a Base Rate Borrowing on the date on which such drawing is honored in an exact amount due to the Issuing Bank; provided, that for purposes solely of such Borrowing, the conditions precedent set forth in Section 3.2 hereof shall not be applicable. The Administrative Agent shall notify the Lenders of such Borrowing in accordance with Section 2.3, and each Lender shall make the proceeds of its Base Rate Loan included in such Borrowing available to the Administrative Agent for the account of the Issuing Bank in accordance with Section 2.7. The proceeds of such Borrowing shall be applied directly by the Administrative Agent to reimburse the Issuing Bank for such LC Disbursement**.**

(e) If for any reason a Base Rate Borrowing may not be (as determined in the sole discretion of the Administrative Agent), or is not, made in accordance with the foregoing provisions, then each Lender (other than the Issuing Bank) shall be obligated to fund the participation that such Lender purchased pursuant to subsection (a) in an amount equal to its Pro Rata Share of such LC Disbursement on and as of the date which such Base Rate Borrowing

should have occurred. Each Lender's obligation to fund its participation shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation (i) any setoff, counterclaim, recoupment, defense or other right that such Lender or any other Person may have against the Issuing Bank or any other Person for any reason whatsoever, (ii) the existence of a Default or an Event of Default or the termination of the Aggregate Revolving Commitments, (iii) any adverse change in the condition (financial or otherwise) of the Borrower or any of its Subsidiaries, (iv) any breach of this Agreement by the Borrower or any other Lender, (v) any amendment, renewal or extension of any Letter of Credit or (vi) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. On the date that such participation is required to be funded, each Lender shall promptly transfer, in immediately available funds, the amount of its participation to the Administrative Agent for the account of the Issuing Bank. Whenever, at any time after the Issuing Bank has received from any such Lender the funds for its participation in a LC Disbursement, the Issuing Bank (or the Administrative Agent on its behalf) receives any payment on account thereof, the Administrative Agent or the Issuing Bank, as the case may be, will distribute to such Lender its Pro Rata Share of such payment; provided, that if such payment is required to be returned for any reason to the Borrower or to a trustee, receiver, liquidator, custodian or similar official in any bankruptcy proceeding, such Lender will return to the Administrative Agent or the Issuing Bank any portion thereof previously distributed by the Administrative Agent or the Issuing Bank to it.

(f) To the extent that any Lender shall fail to pay any amount required to be paid pursuant to paragraphs (d) or (e) of this Section on the due date therefor, such Lender shall pay interest to the Issuing Bank (through the Administrative Agent) on such amount from such due date to the date such payment is made at a rate per annum equal to the Federal Funds Rate; provided, that if such Lender shall fail to make such payment to the Issuing Bank within three (3) Business Days of such due date, then, retroactively to the due date, such Lender shall be obligated to pay interest on such amount at the rate set forth in Section 2.14(d).

(g) If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders demanding that its reimbursement obligations with respect to the Letters of Credit be Cash Collateralized pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Issuing Bank and the Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid fees thereon; provided, that such obligation to Cash Collateralize the reimbursement obligations of the Borrower with respect to Letters of Credit shall become effective immediately, and such deposit shall become immediately due and payable, without demand or notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Section 8.1. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Borrower agrees to execute any documents and/or certificates to effectuate the intent of this paragraph. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest and profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative

Agent to reimburse the Issuing Bank for LC Disbursements for which it had not been reimbursed and to the extent so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, with the consent of the Required Lenders, be applied to satisfy other obligations of the Borrower under this Agreement and the other Loan Documents. If the Borrower is required to Cash Collateralize the reimbursement obligations of the Borrower with respect to Letters of Credit as a result of the occurrence of an Event of Default, such cash collateral so posted (to the extent not so applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

(h) Promptly following the end of each calendar quarter, the Issuing Bank shall deliver (through the Administrative Agent) to each Lender and the Borrower a report describing the aggregate Letters of Credit outstanding at the end of such calendar quarter. Upon the request of any Lender from time to time, the Issuing Bank shall deliver to such Lender any other information reasonably requested by such Lender with respect to each Letter of Credit then outstanding.

(i) The Borrower's obligation to reimburse LC Disbursements hereunder shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever and irrespective of any of the following circumstances:

(i) Any lack of validity or enforceability of any Letter of Credit or this Agreement;

(ii) The existence of any claim, set-off, defense or other right which the Borrower or any Subsidiary or Affiliate of the Borrower may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons or entities for whom any such beneficiary or transferee may be acting), any Lender (including the Issuing Bank) or any other Person, whether in connection with this Agreement or the Letter of Credit or any document related hereto or thereto or any unrelated transaction;

(iii) Any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) Payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document to the Issuing Bank that does not comply with the terms of such Letter of Credit;

(v) Any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.22, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder; or

(vi) The existence of a Default or an Event of Default.

Neither the Administrative Agent, the Issuing Bank, the Lenders nor any Related Party of any of the foregoing shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to above), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided, that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any actual direct damages (as opposed to special, indirect (including claims for lost profits or other consequential damages), or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise due care when determining whether drafts or other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree, that in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised due care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(j) Unless otherwise expressly agreed by the Issuing Bank and the Borrower when a Letter of Credit is issued and subject to applicable laws, (i) each standby Letter of Credit shall be governed by the "International Standby Practices 1998" (ISP98) (or such later revision as may be published by the Institute of International Banking Law & Practice on any date any Letter of Credit may be issued), (ii) each documentary Letter of Credit shall be governed by the Uniform Customs and Practices for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600 (or such later revision as may be published by the International Chamber of Commerce on any date any Letter of Credit may be issued) and (iii) the Borrower shall specify the foregoing in each letter of credit application submitted for the issuance of a Letter of Credit.

Section 2.23. Defaulting Lenders.

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders;

(ii) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or

mandatory, at maturity, pursuant to ARTICLE VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.8 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Bank or the Swingline Lender hereunder; *third*, to Cash Collateralize the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.28; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Issuing Bank's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.28; *sixth*, to the payment of any amounts owing to the Lenders, the Issuing Bank or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Bank or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded LC Exposure and Swingline Exposure are held by the Lenders pro rata in accordance with the Commitments under the applicable Facility without giving effect to Section 2.23(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.23(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

(iii) (A) No Defaulting Lender shall be entitled to receive any fee described in Section 2.14(b) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive a fee described in Section 2.14(c)(i) for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Revolver Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.28.

(C) With respect to any fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's LC Exposure or Swingline Exposure that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Issuing Bank and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Bank's or the Swingline Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) All or any part of such Defaulting Lender's LC Exposure and Swingline Exposure shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Revolver Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 3.2 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) If the reallocation described in clause (iv) immediately above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (y) second, Cash Collateralize the Issuing Bank's Fronting Exposure in accordance with the procedures set forth in Section 2.28.

(b) If the Borrower, the Administrative Agent, the each Swingline Lender and the Issuing Bank agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and the LC Exposure and Swingline Exposure to be held pro rata by the Lenders in accordance with the Commitments under the applicable Facility (without giving effect to Section 2.23(a)(ii), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the

Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) So long as any Lender is a Defaulting Lender, (i) the Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swingline Loan and (ii) the Issuing Bank shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

Section 2.24. Incremental Credit Extensions.

(a) From time to time on or after the Closing Date, subject to the terms and conditions set forth herein, the Borrower may, upon ten (10) Business Days' prior written notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders), request to add one or more additional tranches of term loans (the "Incremental Term Loans") or one or more increases in the Revolving Commitments (the "Incremental Revolving Commitments"; together with the Incremental Term Loans, the "Incremental Facilities"), provided that at the time of the effectiveness of each Incremental Facility Amendment (i) no Default or Event of Default has occurred and is continuing or shall result therefrom, (ii) the Borrower and its Restricted Subsidiaries shall be in pro forma compliance with each of the covenants set forth in ARTICLE VI as of the last day of the most recently ended Fiscal Quarter after giving effect to such Incremental Revolving Commitments (assuming for such purpose that such Incremental Revolving Commitments are fully drawn at such time) or Incremental Term Loans, as applicable, (iii) each of the conditions set forth in Section 3.2 shall have been satisfied and (iv) the Administrative Agent shall have received from the Borrower such legal opinions, resolutions, certificates and other documents as the Administrative Agent may reasonably request. Notwithstanding anything to contrary herein, but subject to clause (e) immediately below, the aggregate principal amount of all Incremental Facilities shall not exceed the sum of $380,000,000. Each Incremental Facility shall be in an integral multiple of $5,000,000 and be in an aggregate principal amount that is not less than $10,000,000 in case of Incremental Term Loans or $10,000,000 in case of Incremental Revolving Commitments, provided that such amount may be less than the applicable minimum amount if such amount represents all the remaining availability hereunder as set forth above or if the Administrative Agent agrees in writing to a lesser minimum amount. Each Incremental Facility shall rank *pari passu* in right of payment, and shall have the same guarantees as, and be secured by the same Collateral securing, all of the other Obligations hereunder.

(b) Except with respect to the Term Loan A-1, any Incremental Term Loans (i) for purposes of prepayments, shall be treated substantially the same as (and in any event no more favorably than) the Term Loan A and (ii) other than amortization, pricing or maturity date, shall have the same terms as the Term Loans or such other terms as are reasonably satisfactory to the Administrative Agent; provided that, except as provided in clause (f) below (A) any Incremental Term Loan shall not have a final maturity date earlier than the Term Loan A Maturity Date and (B) any Incremental Term Loan shall not have a Weighted Average Life to Maturity that is shorter than the Weighted Average Life to Maturity of the then-remaining Term Loan A.

(c) Any Incremental Revolving Commitment shall be on the same terms and conditions as, and pursuant to the same documentation as applicable to, the Revolving Commitments. From and after the making of an Incremental Term Loan or the addition of any Incremental Revolving Commitments pursuant to this Section, such Incremental Term Loan and such revolving loan funded pursuant to an Incremental Revolving Commitment shall be deemed a "Loan", "Term Loan" and/or "Revolving Loan", as applicable, hereunder for all purposes hereof, and, except as set forth in clause (b) immediately above with respect to Incremental Term Loans, shall be subject to the same terms and conditions as each other Term Loan or Revolving Loan made pursuant to this Agreement.

(d) Each notice from the Borrower pursuant to this Section shall set forth the requested amount and proposed terms of the relevant Incremental Term Loans and/or Incremental Revolving Commitments. Except with respect to the Term Loan A-1, each Lender shall have the right for a period of ten (10) days following receipt of such notice, to elect by written notice to the Borrower and the Administrative Agent to provide the requested Incremental Facility by a principal amount equal to its Pro Rata Share of such Incremental Facility. Any Lender who does not respond within such 10 day period shall be deemed to have elected not to provide such Incremental Facility. If any Lender shall elect not to provide such Incremental Facility pursuant to this Section 2.24, the Borrower may designate any other bank or other financial institution (which may be, but need not be, one or more of the existing Lenders), which agrees to provide such Incremental Facility (any such other bank or other financial institution being called an "Additional Lender") and in the case of any Additional Lender, agrees to become a party to this Agreement, *provided* that the Issuing Bank (in the case of an increase through an Incremental Revolving Commitment) and the Administrative Agent shall have consented (such consent not to be unreasonably withheld) to such Lender's or Additional Lender's making such Incremental Term Loans or providing such Incremental Revolving Commitment if such consent would be required under Section 10.4(b) for an assignment of Loans or Revolving Commitments, as applicable, to such Lender or Additional Lender. Any Additional Lender shall become a Lender under this Agreement pursuant to an amendment (an "Incremental Facility Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, such Additional Lender and the Administrative Agent; provided, that no Incremental Facility Amendment shall be required for the Term Loan A-1 if the Administrative Agent and the Borrower so determine. No Incremental Facility Amendment shall require the consent of any Lenders other than the Additional Lenders and/or any existing Lender who has elected to provide any Incremental Term Loans or increase its Revolving Commitment with respect to such Incremental Facility Amendment. No Lender shall be obligated to provide any Incremental Term Loans or Incremental Revolving Commitments, unless it so agrees. Commitments in respect of any Incremental Term Loans or Incremental Revolving Commitments shall become Commitments under this Agreement. An Incremental Facility Amendment may, without the consent of any other Lenders, effect such amendments to any Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section. Upon each increase in the Revolving Commitments pursuant to this Section, (a) each Lender holding a Revolving Commitment immediately prior to such increase will automatically and without further act be deemed to have assigned to each

Lender providing a portion of the Incremental Revolving Commitment (each a "Incremental Revolving Lender") in respect of such increase, and each such Incremental Revolving Lender will automatically and without further act be deemed to have assumed, a portion of such Lender's participations hereunder in outstanding Letters of Credit and Swingline Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding (i) participations hereunder in Letters of Credit and (ii) participations hereunder in Swingline Loans held by each Lender holding a Revolving Commitment (including each such Incremental Revolving Lender) will equal its Pro Rata Share and (b) if, on the date of such increase, there are any Revolving Loans outstanding, such Revolving Loans shall on or prior to the effectiveness of such increase of the Revolving Commitments be prepaid from the proceeds of additional Revolving Loans made hereunder (reflecting such increase in Revolving Commitments), which prepayment shall be accompanied by accrued interest on the Revolving Loans being prepaid and any costs incurred by any Lender in accordance with Section 2.19. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, *pro rata* borrowing and *pro rata* payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence. This Section 2.24(d) shall supersede any provisions in Section 2.21(a) and Section 10.2 to the contrary.

(e) If the Term Loan A-1 Commitment provided on the Closing Date is less than $50,000,000, the Borrower shall have the right for a period of 30 days following the Closing Date to obtain an Incremental Term Loan in accordance with this Section 2.24, and the principal amount of such Incremental Term Loan shall be excluded for purposes of determining the limitations set forth in clause (a) of this Section 2.24; provided, that (i) such Incremental Term Loan shall for all purposes be deemed to be the "Term Loan A-1" and shall be subject to the terms, conditions and provisions herein related to the "Term Loan A-1" and (ii) in no event shall such Incremental Term Loan, together with any portion of the Term Loan A-1 funded on the Closing Date, if any, exceed $50,000,000.

(f) Notwithstanding anything herein to the contrary, no more than $180,000,000 in aggregate principal amount of Incremental Facilities that are incurred on or after the Amendment Effective Date shall have either (i) a final maturity date earlier than the Term Loan A Maturity Date or (ii) a Weighted Average Life to Maturity that is shorter than the Weighted Average Life to Maturity of the then-remaining Term Loan A. Any Incremental Facilities incurred pursuant to this clause (f) shall be incurred, if at all, (x) on no more than one occasion and in no more than one tranche in the aggregate of Incremental Term Loans and (y) on or before August 7, 2013.

Section 2.25. Maturity Extensions.

(a) Notwithstanding anything to the contrary in this Agreement (but subject to Section 2.9(d)), pursuant to one or more offers (each, an "Extension Offer") made from time to time by the Borrower to all Lenders of Term Loans with a like maturity date or Revolving Commitments with a like maturity date, in each case on a pro rata basis (based on the aggregate outstanding principal amount of the respective Term Loans or Revolving Commitments with a like maturity date, as the case may be) and on the same terms to each such Lender, the Borrower is hereby permitted to consummate from time to time transactions with individual Lenders that

accept the terms contained in such Extension Offers to extend the maturity date of each such Lender's Term Loans and/or Revolving Commitments and otherwise modify the terms of such Term Loans and/or Revolving Commitments pursuant to the terms of the relevant Extension Offer (including, without limitation, by increasing or decreasing the interest rate or fees payable in respect of such Term Loans and/or Revolving Commitments (and related outstandings) and/or modifying the amortization schedule in respect of such Lender's Term Loans) (each, an "Extension"), so long as the following terms are satisfied: (i) no Default or Event of Default shall have occurred and be continuing at the time the offering document in respect of an Extension Offer is delivered to the Lenders or after giving effect to such Extension, (ii) except as to interest rates, fees and final maturity (which shall be determined by the Borrower and set forth in the relevant Extension Offer), the Revolving Commitment of any Lender that agrees to an Extension with respect to such Revolving Commitment extended pursuant to an Extension (an "Extended Revolving Commitment"), and the related outstandings, shall be a Revolving Commitment (or related outstandings, as the case may be) with the same terms as the original Revolving Commitments being extended (and related outstandings); provided that (1) the borrowing and repayment (except for (A) payments of interest and fees at different rates on Extended Revolving Commitments (and related outstandings), (B) repayments required upon the maturity date of the non-extending Revolving Commitments and (C) repayment made in connection with a permanent repayment and termination of commitments) of Loans with respect to Extended Revolving Commitments after the applicable Extension date shall be made on a pro rata basis with all other Revolving Commitments, (2) the permanent repayment of Revolving Loans with respect to, and termination of, Extended Revolving Commitments after the applicable Extension date shall be made on a pro rata basis with all other Revolving Commitments, except that the Borrower shall be permitted to permanently repay and terminate commitments of any such Class on a better than a pro rata basis as compared to any other Class with a later maturity date than such Class and (3) assignments and participations of Extended Revolving Commitments and Extended Revolving Loans shall be governed by the same assignment and participation provisions applicable to Revolving Commitments and Revolving Loans so extended, (iii) except as to interest rates, fees, amortization, final maturity date, premium, required prepayment dates and participation in prepayments (which shall, subject to immediately succeeding clauses (iv), (v) and (vi), be determined between the Borrower and the Extending Term Lenders and be set forth in the relevant Extension Offer), the Term Loans of any Lender that agrees to an Extension with respect to such Term Loans (an "Extending Term Lender") extended pursuant to any Extension ("Extended Term Loans") shall have the same terms as the tranche of Term Loans subject to such Extension Offer, (iv) the final maturity date of any Extended Term Loans shall be no earlier than the Latest Maturity Date, (v) the Weighted Average Life to Maturity of any Extended Term Loans shall be no shorter than the remaining Weighted Average Life to Maturity of the Term Loans extended thereby, (vi) any Extended Term Loans may participate on a pro rata basis or a less than pro rata basis (but not greater than a pro rata basis) in any voluntary or mandatory repayments or prepayments hereunder, in each case as specified in the respective Extension Offer, (vii) if the aggregate principal amount of Term Loans (calculated on the face amount thereof) or Revolving Commitments, as the case may be, in respect of which relevant Lenders shall have accepted the relevant Extension Offer shall exceed the maximum aggregate principal amount of Term Loans or Revolving Commitments, as the case may be, offered to be extended by the Borrower pursuant to such Extension Offer, then the Term Loans or Revolving Loans, as the case may be, of such Lenders shall be extended ratably up to such maximum

amount based on the respective principal amounts (but not to exceed actual holdings of record) with respect to which such Lenders have accepted such Extension Offer, (viii) all documentation in respect of such Extension shall be consistent with the foregoing, (ix) any applicable Minimum Extension Condition (as defined in clause (b) below) shall be satisfied unless waived by the Borrower and (x) at no time shall there be (A) Revolving Commitments hereunder which have more than two different maturity dates and (B) Term Loans hereunder which have more than two different maturity dates, unless, in either case, the Administrative Agent agrees to permit additional maturity dates. For the avoidance of doubt, no Lender shall be obligated or otherwise required to participate in any Extension without its express consent.

(b) With respect to all Extensions consummated by the Borrower pursuant to this Section, (i) such Extensions shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.11 or Section 2.12 and (ii) each Extension Offer is required to be in a minimum amount of $10,000,000; provided that the Borrower may at its election specify as a condition (a "Minimum Extension Condition") to consummating any such Extension that a minimum amount (to be determined and specified in the relevant Extension Offer in the Borrower's sole discretion and may be waived by the Borrower) of Term Loans or Revolving Commitments (as applicable) of any or all applicable tranches be tendered. The Administrative Agent and the Lenders hereby consent to the transactions contemplated by this Section (including, for the avoidance of doubt, payment of any interest, fees or premium in respect of any Extended Term Loans and/or Extended Revolving Commitments on the such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section.

(c) No consent of any Lender or the Administrative Agent shall be required to effectuate any Extension, other than (A) the consent of each Lender agreeing to such Extension with respect to one or more of its Term Loans and/or Revolving Commitments (or a portion thereof) and (B) with respect to any Extension of the Revolving Commitments, the consent of the Issuing Bank and Swingline Lender. All Extended Term Loans, Extended Revolving Loans, Extended Revolving Commitments and all obligations in respect thereof shall be Obligations under the Loan Documents that are secured by the Collateral on a *pari passu* basis with all other applicable Obligations under the Loan Documents. Each of the parties hereto hereby agrees that the Administrative Agent and the Borrower may, without the consent of any Lender, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section and any Extension (including any amendments necessary to treat the Loans and Commitments subject thereto as Extended Term Loans, Extended Revolving Loans and/or Extended Revolving Commitments and as a separate "Tranche" and "Class" hereunder of Loans and Commitments, as the case may be). In addition, if so provided in such amendment and with the consent of the Issuing Bank and the Swingline Lender, as applicable, participations in Letters of Credit and Swingline Loans expiring on or after the Revolving Commitment Termination Date in respect of Revolving Loans and Revolving Commitments shall be re-allocated from Lenders holding Revolving Commitments to Lenders holding Extended Revolving Commitments in accordance with the terms of such amendment; provided that such participation interests shall, upon receipt thereof by the relevant Lenders holding Revolving Commitments, be deemed to be participation interests in respect of such Revolving Commitments and the terms of such participation interests (including, without limitation, the commission applicable thereto) shall be adjusted accordingly.

(d) In connection with any Extension, the Borrower shall provide the Administrative Agent at least 10 Business Days (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures (including, without limitation, regarding timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section.

(e) If the Revolving Commitment Termination Date in respect of any tranche of Revolving Commitments occurs prior to the expiration of any Letter of Credit, then (i) if another tranche of Revolving Commitments in respect of which the Revolving Commitment Termination Date shall not have occurred is then in effect, such Letters of Credit shall automatically be deemed to have been issued (including for purposes of the obligations of the Lenders to purchase participations therein and to make Revolving Loans and payments in respect thereof pursuant to Section 2.22.) under (and ratably participated in by Lenders pursuant to) the Revolving Commitments in respect of such non-terminating tranches up to an aggregate amount not to exceed the aggregate principal amount of the unutilized Revolving Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (ii) to the extent not reallocated pursuant to immediately preceding clause (i), the Borrower shall Cash Collateralize any such Letter of Credit in a manner satisfactory to the Administrative Agent and the Issuing Bank but only up to the amount of such Letter of Credit not so reallocated. Except to the extent of reallocations of participations pursuant to clause (i) of the immediately preceding sentence, the occurrence of a Revolving Commitment Termination Date with respect to a given tranche of Revolving Commitments shall have no effect upon (and shall not diminish) the percentage participations of the Lenders in any Letter of Credit issued before such Revolving Commitment Termination Date.

(f) Notwithstanding anything in this Agreement to the contrary, each Lender hereby irrevocably authorizes the Administrative Agent on its behalf, and without further consent, to enter into amendments or modifications to this Agreement or any of the other Loan Documents or to enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to effectuate the terms of this Section 2.25; provided that no amendment or modification shall result in any increase in the amount of any Lender's Commitment or any increase in any Lender's Pro Rata Share, in each case, without the written consent of such affected Lender.

Section 2.26. Mitigation of Obligations.

If any Lender requests compensation under Section 2.18, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.20, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the sole judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts

payable under Section 2.18 or Section 2.20, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all costs and expenses incurred by any Lender in connection with such designation or assignment.

Section 2.27. Replacement of Lenders.

If (a) any Lender requests compensation under Section 2.18, (b) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.20, (c) any Lender is a Defaulting Lender, or (d) in connection with any proposed amendment, waiver, or consent, the consent of all of the Lenders, or all of the Lenders directly affected thereby, is required pursuant to Section 10.2, and any such Lender refuses to consent to such amendment, waiver or consent as to which the Required Lenders have consented, then, in each case, the Borrower may, at its sole expense and effort (but without prejudice to any rights or remedies the Borrower may have against such Defaulting Lender), upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions set forth in Section 10.4(b)) all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender but excluding any Defaulting Lender); provided, that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, (ii) prior to, or contemporaneous with, the replacement of such Lender, such Lender shall have received payment of an amount equal to the outstanding principal amount of all Loans owed to it, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (in the case of such outstanding principal and accrued interest) and from the Borrower (in the case of all other amounts), (iii) in the case of a claim for compensation under Section 2.18 or payments required to be made pursuant to Section 2.20, such assignment will result in a reduction in such compensation or payments and (iv) in the case of clause (d) above, the assignee Lender shall have agreed to provide its consent to the requested amendment, waiver or consent.

Section 2.28. Cash Collateral For Defaulting Lenders.

At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent or the Issuing Bank (with a copy to the Administrative Agent) the Borrower shall Cash Collateralize the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.23(a)(iv) and any Cash Collateral provided by or in respect of such Defaulting Lender) in an amount not less than 103% of the Fronting Exposure in respect of all Letters of Credit issued and outstanding at such time.

(a) The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of the Issuing Bank, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligations in respect of LC Exposure, to be applied pursuant to clause (b) immediately below. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Issuing Bank as herein provided, or that the total amount of such Cash Collateral

is less than 103% of the Fronting Exposure in respect of all Letters of Credit issued and outstanding at such time, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by or in respect of the Defaulting Lender).

(b) Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section or Section 2.23 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation in respect of its LC Exposure (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(c) Cash Collateral (or the appropriate portion thereof) provided to reduce the Issuing Bank's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent and the Issuing Bank that there exists excess Cash Collateral; provided that, subject to Section 2.23, the Borrower or other Person providing Cash Collateral and the Issuing Bank may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and provided further that to the extent that such Cash Collateral to be so held was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

ARTICLE III

CONDITIONS PRECEDENT TO LOANS AND LETTERS OF CREDIT

Section 3.1. Conditions To Effectiveness.

The obligations of the Lenders (including the Swingline Lender) to make the initial Loans and the obligation of the Issuing Bank to issue any initial Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.2).

(a) The Administrative Agent shall have received payment of all fees, expenses and other amounts due and payable on or prior to the Closing Date, including reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel to the Administrative Agent) required to be reimbursed or paid by the Borrower hereunder, under any other Loan Document and under any agreement with the Administrative Agent or the Arrangers (including the Fee Letter).

(b) The Administrative Agent (or its counsel) shall have received the following, each to be in form and substance satisfactory to the Lenders:

(i) a counterpart of this Agreement signed by or on behalf of each party hereto or written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement;

(ii) duly executed Notes payable to any Lender requesting a Note, if so requested;

(iii) the Guaranty Agreement duly executed by each Subsidiary required to execute the Guaranty Agreement in connection with the Existing Credit Agreement or otherwise required pursuant to Section 5.10;

(iv) the Pledge and Security Agreement duly executed by each of the Loan Parties and the Intellectual Property Security Agreements duly executed by the applicable Loan Parties having rights in intellectual property subject to such agreements;

(v) an amendment to, or an amendment and restatement of, the Prudential Senior Secured Note Agreement duly executed by each party thereto;

(vi) the Intercreditor Agreement;

(vii) a certificate of the Secretary or Assistant Secretary of each Loan Party in the form of Exhibit 3.1(b)(vii), (a) attaching and certifying copies of (w) its bylaws, partnership agreement or limited liability company agreement, or comparable organizational documents, as applicable, and (x) resolutions of its board of directors, board of members or general partner, as applicable, authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (y) its articles or certificate of incorporation, certificate of organization or limited partnership, or other registered organizational documents, as applicable, and (z) evidence of good standing or existence, as may be available from the Secretary of State of the jurisdiction of organization of such Loan Party and each other jurisdiction where such Loan Party is required to be qualified to do business as a foreign entity and (b) certifying the name, title and true signature of each officer of such Loan Party executing the Loan Documents to which it is a party;

(viii) a certificate of the Chief Financial Officer of the Borrower that, after giving effect to the Credit Extensions made on the Closing Date, neither the Borrower nor its Subsidiaries will be "insolvent," within the meaning of such term as defined in § 101 of Title 11 of the United States Code, or be unable to pay its debts generally as such debts become due, or have an unreasonably small capital to engage in any business or transaction, whether current or contemplated;

(ix) a favorable written opinion of (x) Pillsbury Winthrop Shaw Pittman LLC, counsel to the Loan Parties, and (y) Polsinelli Shughart PC, special Kansas counsel to Midland Credit Management, Inc., each addressed to the Administrative Agent and each of the Lenders, and covering such matters relating to the Loan Parties, the Loan Documents and the transactions contemplated therein as the Administrative Agent or the Required Lenders shall reasonably request;

(x) a certificate in the form of Exhibit 3.1(b)(x), dated the Closing Date and signed by a Responsible Officer:

(a) certifying that, after giving effect to the funding of any initial Loan or initial issuance of a Letter of Credit (x) no Default or Event of Default exists, (y) all representations and warranties of each Loan Party set forth in the Loan Documents are true and correct and (z) since the date of the financial statements of the Borrower described in Section 4.4, there shall have been no change which has had or could reasonably be expected to have a Material Adverse Effect;

(b) certifying that no litigation, investigation or proceeding of or before any arbitrators or Governmental Authorities is pending against or, to the knowledge of the Borrower, threatened against the Borrower or any of its Subsidiaries that (y) purports to enjoin or restrain any Lender from making a Credit Extension hereunder or (z) could reasonably be expected to have a Material Adverse Effect;

(c) attaching certified copies of all consents, approvals, authorizations, registrations and filings and orders required or advisable to be made or obtained under any Requirement of Law, or by any contractual obligation of each Loan Party, in connection with the execution, delivery, performance, validity and enforceability of the Loan Documents or any of the transactions contemplated thereby, and such consents, approvals, authorizations, registrations, filings and orders shall be in full force and effect and all applicable waiting periods shall have expired, and no investigation or inquiry by any Governmental Authority regarding this Agreement or any transaction being financed with the proceeds hereof shall be ongoing; and

(d) attaching certified copies of all agreements, indentures or notes governing the terms of any Material Indebtedness and all other material agreements, documents and instruments to which any Loan Party or any of its assets are bound.

(xi) a duly executed Notice of Borrowing;

(xii) the results of a Lien search (including a search as to judgments, pending litigation, tax and intellectual property matters), in form and substance reasonably satisfactory to the Administrative Agent, made against the Loan Parties under the Uniform Commercial Code (or applicable judicial docket) as in effect in each jurisdiction in which filings or recordations under the Uniform Commercial Code should be made to evidence or perfect security interests in all assets of such Loan Party, indicating among other things that the assets of each such Loan Party are free and clear of any Lien (except for Permitted Liens);

(xiii) evidence reasonably satisfactory to the Administrative Agent that at least sixty percent (60%) of all cash collections and other Receivables acquired by any Loan Party have, prior to the Closing Date, been deposited in collection accounts maintained with one or more of the Lenders;

(xiv) (a) copies of audited consolidated financial statements for the Borrower and its Subsidiaries for the three fiscal years most recently ended for which financial statements are available and interim unaudited financial statements for each quarterly period ended since the last audited financial statements for which financial statements are available and (b) projections prepared by management of the Borrower of balance sheets and income statements of the Borrower and its Subsidiaries, which will be quarterly for the first year after the Closing Date, and balance sheets, income statements and cash flow statements of the Borrower and its Subsidiaries, annually thereafter for the term of this Agreement;

(xv) a duly completed and executed Compliance Certificate of the Borrower including pro forma calculations establishing compliance with the financial covenants set forth in ARTICLE VI hereof as of the most recently completed fiscal quarter of the Borrower for which financial statements are available;

(xvi) all information the Administrative Agent and each Lender may request with respect to the Borrower and its Subsidiaries in order to comply with the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and any other "know your customer" or similar laws or regulations; and

(xvii) certificates of insurance issued on behalf of insurers of the Loan Parties, describing in reasonable detail the types and amounts of insurance (property and liability) maintained by the Loan Parties, naming the Collateral Agent as additional insured on liability policies and lender loss payee endorsements for property and casualty policies.

(c) The Collateral Agent shall have received (i) the certificates, if any, evidencing the capital stock or other equity interests pledged pursuant to the Pledge and Security Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof, subject to Section 5.12 and (ii) each instrument pledged to the Collateral Agent pursuant to the Pledge and Security Agreement endorsed in blank (or accompanied by an executed transfer form in blank reasonably satisfactory to the Collateral Agent) by the pledgor thereof.

(d) Each document (including, without limitation, any Uniform Commercial Code financing statement) required by the Collateral Documents or under law or reasonably requested by the Collateral Agent to be executed, filed, registered or recorded in order to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than Permitted Liens), shall have been duly executed and delivered and/or be in proper form for filing, registration or recordation.

Section 3.2. Each Credit Event.

The obligation of each Lender to make a Loan on the occasion of any Borrowing and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit is subject to the satisfaction of the following conditions:

(a) at the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall exist;

(b) at the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, all representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, extension or renewal of such Letter of Credit, in each case before and after giving effect thereto;

(c) No order, judgment or decree of any arbitrator or Governmental Authority shall purport to enjoin or restrain any Lender from making such Credit Extension;

(d) If, after giving to effect to such Credit Extension and any repayment of Loans to be made on the date such Credit Extension is made, the Aggregate Revolving Credit Exposure will be increased above the amount of the Borrowing Base as shown on the then most recently delivered Borrowing Base Certificate, the Lenders and the Administrative Agent shall have received an updated Borrowing Base Certificate as of a later date demonstrating Borrowing Base availability to support such increased Aggregate Revolving Credit Exposure; and

(e) the Borrower shall have delivered a Notice of Borrowing (if applicable).

Each Borrowing and each issuance, amendment, extension or renewal of any Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a), (b), (c) and (d) of this Section 3.2.

Section 3.3. Delivery of Documents.

All of the Loan Documents, certificates, legal opinions and other documents and papers referred to in this ARTICLE III, unless otherwise specified, shall be delivered to the Administrative Agent for the account of each of the Lenders and, except for the Notes, in sufficient counterparts or copies for each of the Lenders and shall be in form and substance satisfactory in all respects to the Administrative Agent.

Section 3.4. Effect of Amendment and Restatement.

(a) Upon this Agreement becoming effective pursuant to Section 3.1, from and after the Closing Date: (a)(i) all outstanding "Revolving Loans" (as such term is defined in the Existing Credit Agreement), if any, shall be deemed to be Revolving Loans outstanding hereunder, (ii) all outstanding "Swing Line Loans" (as such term is defined in the Existing Credit Agreement), if any, shall be deemed to be Swingline Loans outstanding hereunder and (iii) each outstanding "Letter of Credit" (as such term is defined in the Existing Credit Agreement), if any, shall be deemed to be a Letter of Credit issued and outstanding hereunder; (b) all terms and

conditions of the Existing Credit Agreement and any other "Loan Document" as defined therein, as amended and restated by this Agreement and the other Loan Documents being executed and delivered on the Closing Date, shall be and remain in full force and effect, as so amended, and shall constitute the legal, valid, binding and enforceable obligations of the Loan Parties to the Lenders and the Agents; (c) the terms and conditions of the Existing Credit Agreement shall be amended as set forth herein and, as so amended and restated, shall be restated in their entirety, but shall be amended only with respect to the rights, duties and obligations among the Borrower, the Lenders and the Agents accruing from and after the Closing Date; (d) this Agreement shall not in any way release or impair the rights, duties, Obligations or Liens created pursuant to the Existing Credit Agreement or any other "Loan Document" as defined therein or affect the relative priorities thereof, in each case to the extent in force and effect thereunder as of the Closing Date, except as modified hereby or by documents, instruments and agreements executed and delivered in connection herewith, and all of such rights, duties, Obligations and Liens are assumed, ratified and affirmed by the Borrower; (e) all indemnification obligations of the Loan Parties under the Existing Credit Agreement and any other "Loan Document" as defined therein shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of the Lenders, the Agents, and any other Person indemnified under the Existing Credit Agreement or such other Loan Document at any time prior to the Closing Date; (f) the Obligations incurred under the Existing Credit Agreement shall, to the extent outstanding on the Closing Date, continue outstanding under this Agreement and shall not be deemed to be paid, released, discharged or otherwise satisfied by the execution of this Agreement, and this Agreement shall not constitute a substitution or novation of such Obligations or any of the other rights, duties and obligations of the parties hereunder (it being understood and agreed by the parties hereto that the Term Loans will be used to replace and refinance (but not repay or otherwise satisfy) a portion of the outstanding principal amount of the "Revolving Loans" (under and as defined in the Existing Credit Agreement) in an aggregate amount of $150,000,00); (g) the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of the Lenders or the Agents under the Existing Credit Agreement, nor constitute a waiver of any covenant, agreement or obligation under the Existing Credit Agreement, except to the extent that any such covenant, agreement or obligation is no longer set forth herein or is modified hereby; and (h) any and all references in the Loan Documents to the Existing Credit Agreement shall, without further action of the parties, be deemed a reference to the Existing Credit Agreement, as amended and restated by this Agreement, and as this Agreement shall be further amended, modified, supplemented or amended and restated from time to time hereafter.

(b) The Administrative Agent, the Lenders and the Borrower agree that the Revolving Loan Commitment (as defined in the Existing Credit Agreement) of each of the Lenders immediately prior to the effectiveness of this Amendment shall be reallocated among the Lenders such that, immediately after the effectiveness of this Agreement in accordance with its terms, the Revolving Commitment and the Term Loan Commitment of each Lender shall be as set forth on Schedule II-A and Schedule II-B, respectively. In order to effect such reallocations, assignments shall be deemed to be made among the Lenders in such amounts as may be necessary, and with the same force and effect as if such assignments were evidenced by the applicable Assignment and Acceptance (but without the payment of any related assignment fee), and no other documents or instruments shall be required to be executed in connection with such assignments (all of which such requirements are hereby waived). Further, to effect the

foregoing, each Lender agrees to make cash settlements in respect of any outstanding Revolving Loans (including cash settlements to those lenders party to the Existing Credit Agreement who have elected not to be a Lender under this Agreement on the Closing Date), either directly or through the Administrative Agent, as the Administrative Agent may direct or approve, such that after giving effect to this Agreement, each Lender holds Revolving Loans equal to its Applicable Revolver Percentage (based on the Revolving Commitment of each Lender as set forth on Schedule II-A) and each Lender holds Term Loans equal to the amount set forth on Schedule II-A and Schedule II-B, respectively, in an amount equal to the Term Loan Commitment of such Lender, if any.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and each Lender as follows:

Section 4.1. Existence and Standing.

Each of the Borrower and its Restricted Subsidiaries is a corporation, partnership (in the case of Subsidiaries only) or limited liability company (a) duly and properly incorporated or organized, as the case may be, (b) validly existing and (c) (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except in the case of this clause (c) where failure to be in good standing or to be so authorized could not reasonably be expected to have a Material Adverse Effect (it being understood and agreed, for purposes of this Section, that the failure of the Borrower or its Restricted Subsidiaries to be in good standing or to be authorized to conduct its business in any jurisdiction where such failure could have a material and adverse impact on the ability of such Person to enforce or otherwise collect in the Receivables of such Person in any such jurisdiction shall be deemed to have a Material Adverse Effect).

Section 4.2. Authorization and Validity.

The Borrower has the power and authority and legal right to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents to which it is a party and the performance of its obligations thereunder have been duly authorized by proper proceedings, and the Loan Documents to which the Borrower is a party constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms, except as enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyances, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally; (ii) general equitable principles (whether considered in a proceeding in equity or at law); and (iii) requirements of reasonableness, good faith and fair dealing.

Section 4.3. No Conflict; Government Consent.

Neither the execution and delivery by the Borrower or its Restricted Subsidiaries, as applicable, of the Loan Documents to which such Person is a party, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or any of its Restricted Subsidiaries or (ii) the Borrower's or any Restricted Subsidiary's articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, by-laws, or operating agreement or other management agreement, as the case may be, or (iii) the provisions of any material indenture, instrument or agreement to which the Borrower or any of its Restricted Subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with, or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower or a Restricted Subsidiary pursuant to the terms of, any such indenture, instrument or agreement, except, in the case of clause (i), for any such violation which could not reasonably be expected to have a Material Adverse Effect. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower or any of its Restricted Subsidiaries, is required to be obtained by the Borrower or any of its Restricted Subsidiaries in connection with the execution and delivery of the Loan Documents by the Borrower and the other Loan Parties, the borrowings under this Agreement, the payment and performance by the Borrower of the Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

Section 4.4. Financial Statements; No Material Adverse Change.

The December 31, 2012 audited consolidated financial statements of the Borrower and its Subsidiaries heretofore delivered to the Administrative Agent and the Lenders were prepared in accordance with generally accepted accounting principles in effect on the date such statements were prepared and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such date and the consolidated results of their operations for the period then ended. Since December 31, 2012, there has been no change in the business, Property, prospects, condition (financial or otherwise) or results of operations of the Borrower, any Guarantor, or the Borrower and its Restricted Subsidiaries taken together, in each case which could reasonably be expected to have a Material Adverse Effect

Section 4.5. Litigation and Contingent Obligations.

There is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower or any of its Restricted Subsidiaries which could reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Credit Extensions. Other than liabilities incident to any litigation, arbitration or proceeding which could not reasonably be expected to be in an aggregate amount in excess of $5,000,000, none of the Borrower or its Restricted Subsidiaries has any material contingent obligations not provided for or disclosed in the financial statements referred to in Section 4.4.

Section 4.6. Compliance with Laws.

The Borrower and its Restricted Subsidiaries have complied in all material respects with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property, except for any failure to comply which could not reasonably be expected to have a Material Adverse Effect.

Section 4.7. Investment Company Act.

Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

Section 4.8. Taxes.

Except as disclosed on Schedule 4.8, the Borrower and its Restricted Subsidiaries have filed all United States federal tax returns and all other tax returns which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Borrower or any of its Restricted Subsidiaries, except in respect of such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with Agreement Accounting Principles and as to which no Lien exists (except as permitted by Section 7.2(a)). Except as disclosed on Schedule 4.8 as of the Closing Date, none of the United States income tax returns of the Borrower and its Restricted Subsidiaries are being audited by the Internal Revenue Service. To the knowledge of any of the Borrower's officers, no Liens have been filed, and no claims are being asserted with respect to such taxes. The charges, accruals and reserves on the books of the Borrower and its Restricted Subsidiaries in respect of any taxes or other governmental charges are adequate.

Section 4.9. Regulation U.

Neither the Borrower nor any of its Restricted Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate of buying or carrying margin stock (as defined in Regulation U), and after applying the proceeds of each Credit Extension, margin stock (as defined in Regulation U) constitutes less than 25% of the value of those assets of the Borrower and its Restricted Subsidiaries which are subject to any limitation on sale, pledge, or any other restriction hereunder.

Section 4.10. ERISA.

The Unfunded Liabilities of all Single Employer Plans and all nonqualified deferred compensation arrangements do not in the aggregate exceed $5,000,000. Neither the Borrower nor any other member of the Controlled Group has incurred, or is reasonably expected to incur, within the meaning of Section 4201 of ERISA, any withdrawal liability to Multiemployer Plans in excess of an amount that would have a Material Adverse Effect. Each Plan complies in all material respects with all applicable requirements of law and regulations. No Reportable Event has occurred with respect to any Plan. Neither the Borrower nor any other member of the Controlled Group has withdrawn from any Multiemployer Plan within the meaning of Title IV of ERISA or initiated steps to do so, and no steps have been taken to reorganize or terminate, within the meaning of Title IV of ERISA, any Multiemployer Plan.

Section 4.11. Ownership of Property.

The Borrower and its Restricted Subsidiaries have good title, free of all Liens other than those permitted by Section 7.2, to all of the Property and assets reflected in the Borrower's most recent consolidated financial statements provided to the Administrative Agent, as owned by the Borrower and its Restricted Subsidiaries, except for minor irregularities in title that (i) do not materially interfere with the business or operations of the Borrower or its Restricted Subsidiaries as presently conducted and (ii) do not adversely affect the value of any of the Collateral in any material respect. Each of the Borrower and its Restricted Subsidiaries owns, or is licensed, or otherwise has the right, to use, all patents, trademarks, service marks, trade names, copyrights and other intellectual property to its business, and the use thereof by the Borrower and its Restricted Subsidiaries does not infringe in any respect on the rights of any other Person, except for any such infringement which could not reasonably be expected to have a Material Adverse Effect.

Section 4.12. Accuracy of Information.

No Loan Document or written statement furnished by the Borrower or any of its Restricted Subsidiaries to the Agents or to any Lender in connection with the negotiation of, or compliance with, the Loan Documents contained, on the date such Loan Document was entered into or such statements were made, any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading in their presentation of the Borrower, its Restricted Subsidiaries, their businesses and their Property. The Borrower makes no representation or warranty concerning the forecasts, estimates, pro forma information, projections and statements as to anticipated future performance or conditions, and the assumptions on which they were based, except that as of the date made (i) such forecasts, estimates, pro forma information, projections and statements were based on good faith assumptions of the management of the Borrower and (ii) such assumptions were believed by such management to be reasonable; it being understood and agreed that such forecasts, estimates, pro forma information, projections and statements, and the assumptions on which they are based, may or may not prove to be correct. In addition, the information provided by or on behalf of the Loan Parties with respect to the Receivables owned or to be acquired by the Loan Parties (or the related purchase agreements) is, to the Borrower's knowledge and as of the date provided, true and correct in all material respects and, to the Borrower's knowledge, does not contain any material omissions which would cause such information to be materially misleading with respect to such Receivables, taken as a whole.

Section 4.13. Environmental Matters.

The Borrower is in compliance with all applicable Environmental Laws, except for any noncompliance which could not reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Restricted Subsidiary has received any notice to the effect that its operations are not in material compliance with any of the requirements of applicable

Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

Section 4.14. Subsidiaries.

Schedule 4.14 contains an accurate list of all Subsidiaries of the Borrower as of the Amendment Effective Date, setting forth their respective jurisdictions of organization and the percentage of their respective capital stock or other ownership interests owned by the Borrower or other Subsidiaries and whether such Subsidiary, as of the Amendment Effective Date, is an Immaterial Subsidiary. As of the Amendment Effective Date, there are no Excluded Subsidiaries. All of the issued and outstanding shares of capital stock or other ownership interests of the Restricted Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable.

Section 4.15. Solvency.

After giving effect to the execution and delivery of the Loan Documents, and the making of the Loans under this Agreement, neither the Borrower nor its Restricted Subsidiaries will be "insolvent," within the meaning of such term as defined in § 101 of Title 11 of the United States Code, as amended from time to time, or be unable to pay its debts generally as such debts become due, or have an unreasonably small capital to engage in any business or transaction, whether current or contemplated.

Section 4.16. Insurance.

The Borrower maintains, and has caused each Restricted Subsidiary to maintain, with financially sound and reputable insurance companies insurance on their Property as necessary to conduct their business in such amounts, subject to such deductibles and self-insurance retentions and covering such properties and risks as is consistent with sound business practice.

Section 4.17. SDN List Designation.

Neither the Borrower nor any of its Subsidiaries or Encore Affiliates is a country, individual or entity named on the Specifically Designated National and Blocked Persons (SDN) list issued by the Office of Foreign Asset Control of the Department of the Treasury of the United States of America.

Section 4.18. Patriot Act.

Each of the Borrower and its Subsidiaries is in compliance with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act of 2001). No part of the proceeds of any Loan, and no Letters of Credit, will be used,

directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 4.19. Plan Assets; Prohibited Transactions.

The Borrower is not an entity deemed to hold "plan assets" within the meaning of Section 3(42) of ERISA or 29 C.F.R. § 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and neither the execution of this Agreement nor the making of Loans hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

Section 4.20. Material Agreements.

Except as described in Schedule 4.20, neither the Borrower nor any Restricted Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate or similar restriction which could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Restricted Subsidiary is in default in any respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any (i) agreement or instrument to which it is a party, which default could reasonably be expected to have a Material Adverse Effect or (ii) any agreement or instrument evidencing or governing Material Indebtedness.

Section 4.21. No Default or Event of Default.

No Default or Event of Default has occurred and is continuing.

ARTICLE V

AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that so long as any Lender has a Commitment hereunder or any Obligation remains unpaid or outstanding:

Section 5.1. Financial Statements and Other Information.

The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to the Administrative Agent and each Lender:

(a) Within 90 days after the close of each of its fiscal years, financial statements prepared in accordance with Agreement Accounting Principles on a consolidated basis for itself and its Subsidiaries, including in each case balance sheets as of the end of such period, statements of income and statements of cash flows, accompanied by (a) in the case of such statements of the Borrower and its Subsidiaries, an audit report, unqualified as to scope, of BDO USA LLP or another nationally recognized firm of independent public accountants or other

independent public accountants reasonably acceptable to the Required Lenders (provided that so long as the Borrower is a reporting company, filing of the Form 10-K by the Borrower with respect to a fiscal year within such 90-day period on the website of the Securities and Exchange Commission at http://www.sec.gov shall satisfy the requirement for the annual audit report and consolidated financial statements for such fiscal year under this clause (a) with respect to the statements of the Borrower and all of its Subsidiaries) and (b) any management letter prepared by said accountants;

(b) Within 45 days after the close of the first three quarterly periods (commencing with the fiscal quarter ending September 30, 2012) of each of its fiscal years, for itself and its Subsidiaries, consolidated unaudited balance sheets as at the close of each such period and consolidated statements of income and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified as to fairness of presentation, compliance with Agreement Accounting Principles and consistency by its chief financial officer, treasurer or assistant treasurer (provided that so long as the Borrower is a reporting company, filing of the Form 10-Q by the Borrower with respect to a fiscal quarter within such 45-day period on the website of the Securities and Exchange Commission at http://www.sec.gov shall satisfy the requirement for certified quarterly consolidated financial statements for such fiscal quarter under this clause (b) with respect to the statements of the Borrower and all of its Subsidiaries);

(c) together with the delivery of the financial statements referred to in clauses (a) and (b) above, a Compliance Certificate signed by its chief financial officer, treasurer or assistant treasurer showing (i) the calculations necessary to determine compliance with the relevant provisions of this Agreement, an officer's certificate in substantially the form of Exhibit 5.1(c) stating that no Default or Event Default exists, or if any Default or Event of Default exists, stating the nature and status thereof, and a certificate executed and delivered by the chief executive officer or chief financial officer stating that the Borrower and each of its principal officers are in compliance with all requirements of Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 and all rules and regulations related thereto (provided that so long as the Borrower is a reporting company, delivery of the certificates required pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002 as contained in the form 10-K or Form 10-Q filed by the Borrower and delivered pursuant to clauses (a) and (b) above shall satisfy the requirement for such certification of compliance with the Sarbanes-Oxley Act under this clause (c)) and (ii) each of the Unrestricted Subsidiaries as of the last day of the applicable reporting period and of any new Subsidiary of the Borrower formed or acquired during such reporting period;

(d) simultaneously with the delivery of each set of consolidated financial statements referred to in clauses (a) and (b) above, the related consolidating financial statements of the Borrower and its Restricted Subsidiaries reflecting all adjustments necessary to eliminate the results of operations, cash flows, accounts and other assets and Indebtedness or other liabilities of Unrestricted Subsidiaries (if any) from such consolidated financial statements;

(e) As soon as possible and in any event within 10 days after the Borrower knows that any Reportable Event has occurred with respect to any Plan, a statement, signed by the chief financial officer, treasurer or assistant treasurer of the Borrower, describing said Reportable Event and the action which the Borrower proposes to take with respect thereto;

(f) As soon as possible and in any event within 10 days after receipt by the Borrower, a copy of (a) any notice or claim to the effect that the Borrower or any of its Restricted Subsidiaries is or may be liable to any Person as a result of the release by the Borrower, any of its Restricted Subsidiaries, or any other Person of any toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by the Borrower or any of its Restricted Subsidiaries, which, in either case, could reasonably be expected to have a Material Adverse Effect;

(g) Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which the Borrower or any of its Restricted Subsidiaries files with the Securities and Exchange Commission, including, without limitation, all certifications and other filings required by Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 and all rules and regulations related thereto;

(h) As soon as practicable, and in any event within 90 days after the beginning of each fiscal year of the Borrower, a copy of the plan and forecast (including a projected consolidated balance sheet, income statement and funds flow statement) of the Borrower for such fiscal year;

(i) As soon as possible, and in any event within 3 Business Days (in the case of the Borrower) and 15 days (in the case of any Guarantor) after the occurrence thereof, a reasonably detailed notification to the Administrative Agent and its counsel of any change in the jurisdiction of organization of the Borrower or any Guarantor;

(j) As soon as practicable, and in any event within thirty (30) days after the close of each calendar month, the Borrower shall provide the Administrative Agent and the Lenders with a Borrowing Base Certificate (containing a certification by an Authorized Officer that the Receivables Portfolios included in the Borrowing Base referenced in such Borrowing Base Certificate are performing, in the aggregate, at a sufficient level to support the amount of such Borrowing Base), together with such supporting documents (including without limitation (i) to the extent requested by the Administrative Agent, copies of all bills of sale and purchase agreements evidencing the acquisition of Receivables Portfolios included in the Borrowing Base and (ii) a copy of the most recent static pool report with respect to such Receivables Portfolios as the Administrative Agent reasonably deems desirable, all certified as being true and correct in all material respects by an Authorized Officer of the Borrower). The Borrower may update the Borrowing Base Certificate more frequently than monthly and the most recently delivered Borrowing Base Certificate shall be the applicable Borrowing Base Certificate for purposes of determining the Borrowing Base at any time;

(k) Such other information (including non-financial information, and including the audit report with respect to the following reports and evaluations (but not the reports or evaluations themselves): the Commercial Finance Examination Reports and evaluations of the Bureau Enhanced Behavioral Liquidations Score and the Unified Collections Score) as the Administrative Agent or any Lender may from time to time reasonably request.

If any information which is required to be furnished to the Lenders under this Section 6.1 is required by law or regulation to be filed by the Borrower with a government body on an earlier date, then the information required hereunder shall be furnished to the Lenders by no later than 5 Business Days after such earlier date.

In the event that any financial statement delivered pursuant to clauses (a) or (b) immediately above or any Compliance Certificate is shown to be inaccurate (regardless of whether this Agreement or any Commitment is in effect when such inaccuracy is discovered, but only to the extent such inaccuracy is discovered within twelve (12) months after any Obligations cease to be outstanding (other than any contingent Obligations)), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "Applicable Period") than the Applicable Margin applied for such Applicable Period, then (i) the Borrower shall promptly deliver to the Administrative Agent a corrected Compliance Certificate for such Applicable Period, (ii) the Applicable Margin for such Applicable Period shall be determined in accordance with the corrected Compliance Certificate, and (iii) the Borrower shall immediately pay to the Administrative Agent the accrued additional interest owing, if any, as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Administrative Agent to the Obligations, net of any interest paid during the prior twelve (12) months as a result of any inaccuracy which, if corrected, would have led to the application of a lower Applicable Margin for any period. This Section 5.1 shall not limit the rights of the Administrative Agent or the Lenders with respect to Section 2.13(c) and ARTICLE VIII.

Section 5.2. Notices of Default and Material Events.

Within three (3) Business Days after an Authorized Officer becomes aware thereof, the Borrower will, and will cause each Restricted Subsidiary to, give notice in writing to the Lenders of the occurrence (i) of any Default or Event of Default and (ii) of any other development, financial or otherwise, which (solely with respect to this clause (ii)) could reasonably be expected to have a Material Adverse Effect

Section 5.3. Conduct of Business.

The Borrower will, and will cause each Restricted Subsidiary to: (i) carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is conducted on the Closing Date; provided that in no event shall any member of the Propel Group engage in any business such that it would acquire any material amount of Receivables to the extent such Receivables could be Eligible Receivables if held by a Loan Party and (ii) do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, as in effect on the Closing Date, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except (i) as permitted by Section 7.3 or (ii) to the extent that the failure to maintain any of the foregoing could not reasonably be expected to have a Material Adverse Effect.

Section 5.4. Compliance with Laws.

The Borrower will, and will cause each Restricted Subsidiary to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, all Environmental Laws, ERISA and Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 to which it may be subject where non-compliance with such laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards could reasonably be expected to cause a Material Adverse Effect.

Section 5.5. Taxes.

The Borrower will, and will cause each Restricted Subsidiary to, timely file complete and correct United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with Agreement Accounting Principles.

Section 5.6. Maintenance of Properties.

Subject to Section 7.6, the Borrower will, and will cause each Restricted Subsidiary to, do all things necessary to maintain, preserve, protect and keep the tangible Property material to the operation of its business in good repair, working order and condition, (ordinary wear and tear excepted), and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times.

Section 5.7. Inspection; Keeping of Books and Records.

The Borrower will, and will cause each Restricted Subsidiary to, permit the Agents and the Lenders, by their respective representatives and agents (at reasonable times and upon reasonable advance written notice, so long as no Default or Event of Default has occurred and is continuing) to inspect (including without limitation to conduct an annual field examination of) any of its Property, including, without limitation, an audit by the Administrative Agent or professionals (including consultants and accountants) retained by the Administrative Agent of the Borrower's practices in the computation of the Borrowing Base, inspection and audit of the Collateral, books and financial records of the Borrower and each Loan Party, to examine and make copies of the books of accounts and other financial records of the Borrower and each Loan Party, and to discuss the affairs, finances and accounts of the Borrower and each Loan Party with, and to be advised as to the same by, their respective officers. The Borrower shall keep and maintain, and cause each of its Restricted Subsidiaries to keep and maintain, in all material respects, proper books of record and account in which entries in conformity with Agreement Accounting Principles shall be made of all dealings and transactions in relation to their respective businesses and activities. If a Default has occurred and is continuing, the Borrower, upon either Agent's request, shall turn over copies of any such records to such Agent or its representatives. The Borrower shall pay the fees and expenses of the Administrative Agent and such professionals with respect to such examinations, audits and evaluations; provided, that, the Administrative Agent shall undertake only one (1) field examination/audit during any period of twelve (12) consecutive months at the Borrower's expense. Notwithstanding the foregoing, in addition to the field examinations and audits described above, the Administrative Agent may have additional field examinations and audits done if an Event of Default shall have occurred and be continuing, at the Borrower's expense.

Section 5.8. Insurance.

The Borrower will, and will cause each Restricted Subsidiary to, maintain with financially sound and reputable insurance companies insurance on their Property in such amounts, subject to such deductibles and self-insurance retentions, and covering such risks as is consistent with sound business practice. The Borrower shall deliver to the Collateral Agent endorsements in form and substance reasonably acceptable to the Collateral Agent to all general liability and other liability policies name the Collateral Agent as an additional insured. The Borrower shall furnish to any Lender such additional information as such Lender may reasonably request regarding the insurance carried by the Borrower and its Restricted Subsidiaries. In the event the Borrower or any of its Restricted Subsidiaries at any time or times hereafter shall fail to obtain or maintain any of the policies or insurance required herein or to pay any premium in whole or in part relating thereto, then the Collateral Agent, without waiving or releasing any obligations or resulting Default hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which the Collateral Agent deems advisable. All sums so disbursed by the Collateral Agent shall constitute part of the Obligations, payable as provided in this Agreement.

Section 5.9. Use of Proceeds.

The Borrower will, and will cause each Restricted Subsidiary to, use the proceeds of the Loans for working capital and general corporate purposes, which may include, without limitation, purchases of Receivables Portfolios, Permitted Acquisitions, Acquisitions permitted pursuant to Sections 7.4(c) and repayment of Indebtedness under the Existing Financing Arrangements. The Borrower shall use the proceeds of Credit Extensions in compliance with all applicable legal and regulatory requirements and any such use shall not result in a violation of any such requirements, including, without limitation, Regulation U and X, the Securities Act of 1933, and the Exchange Act, and the rules and regulations promulgated under any of the foregoing.

Section 5.10. Guarantors.

The Borrower shall cause each of its Restricted Subsidiaries (other than the Excluded Subsidiaries, Immaterial Subsidiaries and each member of the Propel Group) to guarantee pursuant to the Guaranty Agreement or supplement thereto (or, in the case of a Foreign Subsidiary, any other guaranty agreement requested by the Administrative Agent) the Secured Obligations. In furtherance of the above, after the formation or acquisition of any Restricted Subsidiary or a Subsidiary Redesignation, the Borrower shall promptly (and in any event upon the earlier of (x) such time as such Restricted Subsidiary becomes a guarantor, co-borrower or other obligor under the Prudential Financing and (y) within 45 days after such formation or acquisition or Subsidiary Redesignation (with any such time limit permitted to be extended by the Collateral Agent in its reasonable discretion)) (i) provide written notice to the Administrative Agent and the Lenders upon any Person becoming a Restricted Subsidiary, setting forth

information in reasonable detail describing all of the assets of such Person, (ii) cause such Person (other than any member of the Propel Group and any Immaterial Subsidiary) to execute a supplement to the Guaranty Agreement and such other Collateral Documents as are necessary for the Borrower and its Subsidiaries to comply with Section 5.11, (iii) cause the Applicable Pledge Percentage of the issued and outstanding equity interests of such Person and each other Pledge Subsidiary to be delivered to the Collateral Agent (together with undated stock powers signed in blank, if applicable) and pledged to the Collateral Agent pursuant to an appropriate pledge agreement(s) in substantially the form of the Pledge and Security Agreement (or joinder or other supplement thereto) and otherwise in form reasonably acceptable to the Administrative Agent and (iv) deliver such other documentation as the Administrative Agent may reasonably request in connection with the foregoing, including, without limitation, certified resolutions and other authority documents of such Person and, to the extent requested by the Administrative Agent, favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to above), all in form, content and scope reasonably satisfactory to the Administrative Agent. Notwithstanding the foregoing, no Foreign Subsidiary shall be required to execute and deliver the Guaranty Agreement (or supplement thereto) or such other guaranty agreement if such execution and delivery would cause a Deemed Dividend Problem or a Financial Assistance Problem with respect to such Foreign Subsidiary and, in lieu thereof, the Borrower and the relevant Restricted Subsidiaries shall provide the pledge agreements required under this Section 5.10 or Section 5.11. Notwithstanding the foregoing, the Borrower will be required to comply with this Section (x) with respect to any Subsidiaries of Propel Acquisition LLC to the extent that the provisions of the Propel Indebtedness no longer prohibits the guaranty of the Obligations or the granting of security in respect thereto and (y) with respect to any Immaterial Subsidiary if it ceases to be an Immaterial Subsidiary under the terms of the definition thereof.

Section 5.11. Collateral.

The Borrower will cause, and will cause each other Loan Party to cause, all of its owned Property to be subject at all times to first priority, perfected Liens in favor of the Collateral Agent for the benefit of the Secured Parties to secure the Secured Obligations in accordance with the terms and conditions of the Collateral Documents, subject in any case to Liens permitted by Section 7.2 (it being understood and agreed that (a) no control agreements will be required hereunder in respect of bank accounts and (b) Mortgages and Mortgage Instruments will only be required hereunder in respect of Mortgaged Properties). Without limiting the generality of the foregoing, the Borrower will (i) cause the Applicable Pledge Percentage of the issued and outstanding equity interests of each Pledge Subsidiary directly owned by the Borrower or any other Loan Party to be subject at all times to a first priority, perfected Lien in favor of the Collateral Agent to secure the Secured Obligations in accordance with the terms and conditions of the Collateral Documents or such other security documents as the Collateral Agent shall reasonably request and (ii) will, and will cause each Guarantor to, deliver Mortgages and Mortgage Instruments with respect to real property owned by the Borrower or such Guarantor to the extent, and within such time period as is, reasonably required by the Collateral Agent. Notwithstanding the foregoing, no pledge agreement in respect of the equity interests of a Foreign Subsidiary shall be required hereunder to the extent such pledge thereunder is prohibited by applicable law or the Administrative Agent reasonably determines that such pledge would not provide material credit support for the benefit of the Secured Parties pursuant to legally valid, binding and enforceable pledge agreements.

Section 5.12. Post-Closing Obligations.

The Borrower shall execute and deliver the documents and complete the tasks set forth on Schedule 5.12, in each case as promptly as possible after the Closing Date and in any event within the time limits specified on such schedule (with any such time limit permitted to be extended by the Administrative Agent in its reasonable discretion). The provisions of Schedule 5.12 shall be deemed incorporated by reference herein as fully as if set forth herein in its entirety.

ARTICLE VI

FINANCIAL COVENANTS

The Borrower covenants and agrees that so long as any Lender has a Commitment hereunder or any Obligation remains unpaid or outstanding:

Section 6.1. Cash Flow Leverage Ratio.

The Borrower will not permit the ratio (the "Cash Flow Leverage Ratio"), determined as of the end of each of its fiscal quarters (commencing with the fiscal quarter ending September 30, 2012), of (i) Consolidated Funded Indebtedness to (ii) Consolidated EBITDA for the then most-recently ended four fiscal quarters to be greater than 2.00:1.00 for each fiscal four-quarter period.

The Cash Flow Leverage Ratio shall be calculated (i) based upon (a) for Consolidated Funded Indebtedness, as of the last day of each such fiscal quarter and (b) for Consolidated EBITDA, the actual amount as of the last day of each fiscal quarter for the most recently ended four consecutive fiscal quarters and (ii) giving pro forma effect to any Material Acquisition and Material Disposition. For purposes of this Section 6.1, "Material Acquisition" means any Acquisition or series of related Acquisitions that involves the payment of consideration by the Borrower and its Restricted Subsidiaries in excess of $10,000,000; and "Material Disposition" means any Asset Sale or series of related Asset Sales that yields gross proceeds to the Borrower or any of its Restricted Subsidiaries in excess of $10,000,000.

Section 6.2. Minimum Net Worth.

The Borrower will not permit the Consolidated Net Worth of the Borrower and its Restricted Subsidiaries to be less than the sum of (i) a dollar amount equal to $166,506,500, plus (ii) 50% of such Consolidated Net Income earned in each fiscal quarter beginning with the quarter ending March 31, 2009 (without deduction for losses), plus (iii) 100% of the amount by which the Borrower's "total stockholders' equity" is increased after February 8, 2010 as a result of the issuance or sale by the Borrower or any of its Restricted Subsidiaries of, or the conversion of any Indebtedness of such Person into, any equity interests (including warrants and similar investments) in such Person, minus (iv) amounts expended by the Borrower and its Restricted Subsidiaries to repurchase the Borrower's capital stock (x) for the period after February 8, 2010 through and including the Closing Date and (y) for the all periods after the Closing Date to the extent such repurchases are permitted under Section 7.5(iv)(A).

Section 6.3. Interest Coverage Ratio.

The Borrower will not permit the ratio, determined as of the end of each of its fiscal quarters (commencing with the fiscal quarter ending September 30, 2012) for the then most-recently completed four fiscal quarters, of (i) Consolidated EBIT to (ii) Consolidated Interest Expense, in each case as of the end of such period, to be less than 2.00:1.00.

ARTICLE VII

NEGATIVE COVENANTS

The Borrower covenants and agrees that so long as any Lender has a Commitment hereunder or any Obligation remains outstanding:

Section 7.1. Indebtedness.

The Borrower will not, nor will it permit any Restricted Subsidiary to, create, incur or suffer to exist any Indebtedness, except:

(a) The Obligations and Rate Management Obligations and Banking Services Obligations constituting Secured Obligations;

(b) Indebtedness existing on the Closing Date and described in Schedule 7.1(b);

(c) Indebtedness arising under Rate Management Transactions (other than for speculative purposes);

(d) Secured or unsecured purchase money Indebtedness (including Capitalized Leases) incurred by the Borrower or any of its Restricted Subsidiaries after the Closing Date to finance the acquisition of assets used in its business, if (1) the total of all such Indebtedness for the Borrower and its Restricted Subsidiaries taken together incurred on or after the Closing Date, when aggregated with the Indebtedness permitted under clause (i) immediately below, shall not exceed an aggregate principal amount of $15,000,000 at any one time outstanding, (2) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed, (3) no such Indebtedness shall be refinanced for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing, and (4) any Lien securing such Indebtedness is permitted under Section 7.2 (such Indebtedness being referred to herein as "Permitted Purchase Money Indebtedness");

(e) Indebtedness arising from intercompany loans and advances (i) made by any Subsidiary to any Loan Party; provided that the Borrower agrees (and will cause each of its Subsidiaries to agree) that all such Indebtedness owed to any Subsidiaries of Propel Acquisition LLC, any Unrestricted Subsidiary, by any Loan Party shall be expressly subordinated to the Secured Obligations pursuant to subordination provisions reasonably acceptable to the

Administrative Agent, (ii) made by the Borrower to any Loan Party; (iii) made by the Borrower or any Restricted Subsidiary to any other Restricted Subsidiary solely for the purpose of facilitating, in the ordinary course of business consistent with past practice, the payment of fees and expenses in connection with collection actions or proceedings or (iv) made by the Borrower or any other Restricted Subsidiary to any Subsidiaries of Propel Acquisition LLC (other than a Blocked Propel Subsidiary) to the extent such loan would be permitted as an investment in compliance with the proviso of Section 7.4(f) or any Unrestricted Subsidiary to the extent such loan would be permitted as an investment in compliance Section 7.4(k);

(f) Guaranty obligations of the Borrower of any Indebtedness of any Restricted Subsidiary permitted under clause (b) of this Section 7.1 or of any Indebtedness of any Subsidiary permitted as an Investment under Section 7.4(i), (j) or (k);

(g) Guaranty obligations of any Restricted Subsidiary of the Borrower that is a Guarantor with respect to any Indebtedness of the Borrower or any other Restricted Subsidiary permitted under this Section 7.1, other than the Permitted Foreign Subsidiary Non-Recourse Indebtedness;

(h) Indebtedness under the Prudential Financing in an aggregate principal amount not to exceed $75,000,000;

(i) Additional unsecured Indebtedness of the Borrower or any Restricted Subsidiary, to the extent not otherwise permitted under this Section 7.1; provided, however, that the aggregate principal amount of such additional Indebtedness, when aggregated with the Indebtedness permitted under clause (d) immediately above shall not exceed $20,000,000 at any time outstanding;

(j) Bonds or other Indebtedness required by collections licensing laws in the ordinary course of the Loan Parties' business;

(k) Indebtedness, liabilities and contingent obligations incurred or assumed in connection with a Permitted Acquisition; *provided*, *however*, that any such Indebtedness incurred or assumed by a Person that is a Foreign Subsidiary after giving effect to the consummation of such Permitted Acquisition shall be permitted only to the extent such Indebtedness constitutes Permitted Foreign Subsidiary Non-Recourse Indebtedness;

(l) Permitted Foreign Subsidiary Non-Recourse Indebtedness;

(m) Permitted Foreign Subsidiary Investments/Loans, to the extent permitted as an Investment in compliance with the proviso of Section 7.4(j);

(n) Additional unsecured or subordinated Indebtedness of the Borrower or any of its Restricted Subsidiaries, to the extent not otherwise permitted under this Section 7.1; provided, however, that (i) the aggregate principal amount of such additional Indebtedness shall not exceed $300,000,000, (ii) such Indebtedness shall not mature, and shall not be subject to any scheduled mandatory prepayment, redemption or defeasance, in each case prior to five (5) years from the date of issuance of such Indebtedness and (iii) if such Indebtedness is subordinated, the terms of such subordination shall be reasonably acceptable to the Administrative Agent;

(o) The Propel Indebtedness; *provided* that the aggregate principal amount thereof does not exceed $300,000,000 (exclusive of intercompany loans), and the unsecured guaranty obligations of the Borrower of such Propel Indebtedness;

(p) so long as no Default or Event of Default then exists or would result therefrom, Indebtedness of any Loan Party not otherwise permitted pursuant to this Section 7.1 in an aggregate principal amount not to exceed $10,000,000 at any time outstanding; provided, that such Indebtedness shall be limited to a letter of credit facility provided to or for the benefit of the Borrower and/or its Restricted Subsidiaries; and

(q) Indebtedness arising from intercompany loans and advances made by any Restricted Subsidiary that is not a Loan Party to any other Restricted Subsidiary that is not a Loan Party.

Section 7.2. Liens.

The Borrower will not, nor will it permit any Restricted Subsidiary to, create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower or any of its Restricted Subsidiaries, except:

(a) Liens securing Secured Obligations;

(b) Liens for taxes, assessments or governmental charges or levies on its Property if the same (i) shall not at the time be delinquent or thereafter can be paid without penalty, (ii) are disclosed on Schedule 7.2 or (iii) are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books;

(c) Liens imposed by law, such as landlords', wage earners', carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 45 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books;

(d) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation;

(e) Liens as described in Schedule 7.2;

(f) Deposits securing liability to insurance carriers under insurance or self-insurance arrangements;

(g) Deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(h) Easements, reservations, rights-of-way, restrictions, survey or title exceptions and other similar encumbrances as to real property of the Borrower and its Restricted Subsidiaries which customarily exist on properties of corporations engaged in similar activities and similarly situated and which do not materially interfere with the conduct of the business of the Borrower or such Restricted Subsidiary conducted at the property subject thereto;

(i) Purchase money Liens securing Permitted Purchase Money Indebtedness (as defined in Section 7.1(d)); provided, that such Liens shall not apply to any property of the Borrower or its Restricted Subsidiaries other than that purchased with the proceeds of such Permitted Purchase Money Indebtedness;

(j) Liens existing on any asset of any Restricted Subsidiary of the Borrower at the time such Restricted Subsidiary becomes a Restricted Subsidiary and not created in contemplation of such event;

(k) Liens on any asset securing Indebtedness incurred or assumed for the purpose of financing or refinancing all or any part of the cost of acquiring or constructing such asset; *provided* that such Lien attaches to such asset concurrently with or within eighteen (18) months after the acquisition or completion or construction thereof;

(l) Liens existing on any asset of any Restricted Subsidiary of the Borrower at the time such Restricted Subsidiary is merged or consolidated with or into the Borrower or any Restricted Subsidiary and not created in contemplation of such event;

(m) Liens existing on any asset prior to the acquisition thereof by the Borrower or any Restricted Subsidiary and not created in contemplation thereof; *provided* that such Liens do not encumber any other Property or assets;

(n) Liens arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted under clauses (i) through (m) immediately above; *provided* that (a) such Indebtedness is not secured by any additional assets, and (b) the amount of such Indebtedness secured by any such Lien is not increased;

(o) Liens on the assets of any Subsidiaries of Propel Acquisition LLC securing the Propel Indebtedness; and

(p) Liens securing Indebtedness permitted by Section 7.1(p); provided that the holder(s) of such Indebtedness and the Collateral Agent shall have entered into an intercreditor agreement with respect to such Liens (and the assets subject to such Liens) that is in form and content acceptable to the Agents.

In addition, no Loan Party shall become a party to any agreement, note, indenture or other instrument, or take any other action, which would prohibit the creation of a Lien on any of its Properties or other assets in favor of the Collateral Agent for the benefit of the Secured Parties; *provided*, *however*, that any agreement, note, indenture or other instrument in connection with purchase money Indebtedness (including Capitalized Leases) for which the related Liens are permitted hereunder may prohibit the creation of a Lien in favor of the Collateral Agent for the benefit of the Secured Parties, with respect to the assets or Property obtained with the proceeds of such Indebtedness.

Section 7.3. Merger or Dissolution.

The Borrower will not, nor will it permit any Restricted Subsidiary to, merge or consolidate with or into any other Person or dissolve, except that:

(a) A Restricted Subsidiary may merge into (x) the Borrower so long as the Borrower is the survivor of such merger or (y) a Wholly-Owned Subsidiary that is a Guarantor or becomes a Guarantor promptly upon the completion of the applicable merger or consolidation so long as the Guarantor is the survivor of such merger;

(b) The Borrower or any Restricted Subsidiary may consummate any merger or consolidation in connection with any Permitted Acquisition so long as (i) in the case of the Borrower, the Borrower is the surviving entity and (ii) in the case of any Restricted Subsidiary, the Borrower has otherwise complied with Section 5.10 and Section 5.11 in respect of the surviving entity;

(c) The Borrower and the Restricted Subsidiaries may enter into Permitted Restructurings.

Section 7.4. Investments and Acquisitions.

The Borrower will not, nor will it permit any Restricted Subsidiary to, make or suffer to exist any Investments (including without limitation, loans and advances to, and other Investments in, Subsidiaries), or commitments therefor, or to create any Subsidiary or to become or remain a partner in any partnership or joint venture, or to make any Acquisition of any Person, except:

(a) (i) Cash Equivalent Investments, (ii) any Permitted Indebtedness Hedge, and (iii) other Investments described in Schedule 7.4(a);

(b) Existing Investments in Restricted Subsidiaries and other Investments in existence on the Closing Date and described in Schedule 7.4(b);

(c) So long as (x) no Default or Event of Default shall have occurred and be continuing as of the date of the Asset Acceptance Acquisition, or would result from the consummation of the Asset Acceptance Acquisition, and (y) each of the conditions precedent set forth in Section 3.2 have been satisfied (assuming, for such purpose, that a Credit Extension shall be used to finance a portion of the Purchase Price of the Asset Acceptance Acquisition and further assuming that the Asset Acceptance Acquisition shall have been consummated at the time of such Credit Extension) or waived in accordance with Section 10.2, the Asset Acceptance Acquisition may be consummated in accordance with the terms and conditions of the Asset Acceptance Merger Agreement; and

(d) Acquisitions meeting the following requirements or otherwise approved by the Required Lenders (each such Acquisition constituting a "Permitted Acquisition"):

(i) as of the date of the consummation of such Permitted Acquisition, no Default or Event of Default shall have occurred and be continuing or would result from such Permitted Acquisition, and the representation and warranty contained in Section 4.9 shall be true both before and after giving effect to such Permitted Acquisition;

(ii) such Permitted Acquisition is consummated pursuant to a negotiated acquisition agreement approved by the board of directors or other applicable governing body of the seller or entity to be acquired, and no material challenge to such Permitted Acquisition (excluding the exercise of appraisal rights) shall be pending or threatened by any shareholder or director of the seller or entity to be acquired;

(iii) the business to be acquired in such Permitted Acquisition is similar or related to one or more of the lines of business in which the Borrower and its Subsidiaries are engaged on the Closing Date;

(iv) as of the date of the consummation of such Permitted Acquisition, all material governmental and corporate approvals required in connection therewith shall have been obtained;

(v) the aggregate Purchase Price for all such Permitted Acquisitions during the term of this Agreement shall not exceed $100,000,000; *provided* that the Purchase Price for any single Permitted Acquisition during the term of this Agreement shall not exceed $50,000,000;

(vi) prior to the consummation of such Permitted Acquisition, the Borrower shall have delivered to the Administrative Agent a pro forma consolidated balance sheet, income statement and cash flow statement of the Borrower and its Restricted Subsidiaries (the "Acquisition Pro Forma"), based on the Borrower's most recent financial statements delivered pursuant to Section 5.1(a) (using, to the extent available, historical financial statements for such entity provided by the seller(s)) which shall be complete and shall fairly present, in all material respects, the financial condition and results of operations and cash flows of the Borrower and its Restricted Subsidiaries in accordance with Agreement Accounting Principles, but taking into account such Permitted Acquisition and the funding of all Credit Extensions in connection therewith, and such Acquisition Pro Forma shall reflect that, on a pro forma basis, the Borrower would have been in compliance with the financial covenants set forth in ARTICLE VI for the period of four fiscal quarters reflected in the compliance certificate most recently delivered to the Administrative Agent pursuant to Section 5.1(c) prior to the consummation of such Permitted Acquisition (giving effect to such Permitted Acquisition and all Credit Extensions funded in connection therewith as if made on the first day of such period); provided, however, that no such compliance with Section 6.1 or Section 6.2 is required to be demonstrated in such Acquisition Pro Forma for an Acquisition which is either (x) solely a purchase of assets or (y) an acquisition of an entity or a going business for which no financial statements are available; and

(vii) prior to each such Permitted Acquisition, the Borrower shall deliver to the Administrative Agent a documentation, information and certification package in form reasonably acceptable to the Administrative Agent and demonstrating conformity with the applicable Acquisition Pro Forma and sufficient to describe the assets and Persons being acquired, including, without limitation:

(A) a near-final version (with no further material amendments to be made thereto) of the acquisition agreement for such Permitted Acquisition together with drafts of the material schedules thereto;

(B) a near-final version (with no further material amendments to be made thereto) of all documents, instruments and agreements with respect to any Indebtedness to be incurred or assumed in connection with such Permitted Acquisition; and

(C) such other documents or information as shall be reasonably requested by the Administrative Agent in connection with such Permitted Acquisition;

(e) A Permitted Restructuring;

(f) Creation of, or Investment in, a Restricted Subsidiary (other than (i) a Blocked Propel Subsidiary and (ii) a Foreign Subsidiary that is not a Loan Party) and in respect of which the Borrower has otherwise complied with Section 5.10 and Section 5.11; *provided* that in the case of any investments in any Subsidiaries of Propel Acquisition LLC, such investment shall be permitted only to the extent that after giving effect to such investment, no Default shall exist and continue and that the Borrower shall be in compliance with Section 6.1 and Section 6.3 on a pro forma basis as if the Investment occurred on the first day of the applicable period being tested pursuant to such Sections;

(g) Investments constituting Indebtedness permitted by Section 7.1(e) and Section 7.1(o);

(h) Investments by a Loan Party in another Loan Party;

(i) Minority Investments of the Borrower or its Restricted Subsidiaries, so long as (A) the aggregate Investment permitted under this clause (i) in any single Person shall not exceed $20,000,000 at any time outstanding and (B) the aggregate for all Investments permitted by this clause (i) shall not at any time exceed the lesser of (1) $60,000,000 and (2) $150,000,000 less the aggregate outstanding Investments made pursuant to clauses (j) and (k) of this Section 7.4;

(j) Permitted Foreign Subsidiary Investments/Loans, provided that the aggregate for all Investments permitted by this clause (j) shall not exceed at any time the greater of (A) ten percent (10%) of Consolidated Tangible Net Worth and (B) $150,000,000 less the aggregate outstanding Investments made pursuant to clauses (i) and (k) of this Section 7.4; and

(k) Investments in Unrestricted Subsidiaries and Blocked Propel Subsidiaries not to exceed in the aggregate at any time $150,000,000 less the aggregate outstanding Investments made pursuant to clauses (i) and (j) of this Section 7.4.

For purposes of determining the amount of any Investment outstanding for purposes of this Section 7.4, such amount shall be deemed to be the Fair Market Value of such Investment when made, purchased or acquired less any amount realized by the Borrower or a Restricted Subsidiary in respect of such Investment upon the sale, collection or return of capital, including by way of a Subsidiary Redesignation after the Investment therein (in any case, not to exceed the original amount invested).

Section 7.5. Restricted Payments.

The Borrower will not, nor will it permit any Restricted Subsidiary to, make any Restricted Payment (other than dividends payable in its own capital stock) except that (i) any Restricted Subsidiary may declare and pay dividends or make distributions to the Borrower or to a Guarantor, (ii) the Borrower may, so long as no Default or Event of Default has occurred and is continuing or would arise after giving effect thereto, make Restricted Payments in an aggregate amount not to exceed, during any fiscal year of the Borrower, 20% of the audited Consolidated Net Income for the then most recently completed fiscal year of the Borrower, (iii) [reserved], (iv) Borrower may (A) effect a conversion of Permitted Indebtedness pursuant to its terms by making any required payments of cash and/or Borrower's capital stock and (B) make a payment of cash to enter into a Permitted Indebtedness Hedge in connection with Permitted Indebtedness, and any payments made in settlement or in performance thereof, and (v) the Borrower may, so long as the Payment Conditions (as defined below) are satisfied, make repurchases of its capital stock so long as the aggregate cumulative amount expended on and after February 8, 2010 for all such repurchases of capital stock does not exceed $50,000,000. As used herein, "Payment Conditions" means (i) no Default or Event of Default has then occurred and is continuing or would arise after giving effect thereto and (ii) before and after giving effect (including pro forma effect) thereto, (A) the Borrower is in compliance with the covenants set forth in ARTICLE VI and (B) the Aggregate Revolving Credit Exposure shall not exceed the lesser of (x) the Aggregate Revolving Commitment and (y) the Borrowing Base, in each case, then in effect.

Section 7.6. Sale of Assets.

The Borrower will not, nor will it permit any other Loan Party to, lease, sell or otherwise dispose of its Property to any other Person, except:

(a) Sales of Receivables in the ordinary course of business;

(b) A disposition or transfer of assets by a Loan Party to another Loan Party or a Person that becomes a Loan Party prior to such disposition or transfer;

(c) A disposition of obsolete Property, Property no longer used in the business of the Borrower or the other Loan Parties or other assets in the ordinary course of business of the Borrower or any other Loan Party, but excluding in each case Property (other than fixtures and personal Property) subject to a Lien under a Mortgage;

(d) Leases, sales or other dispositions of its Property that, together with all other Property of the Borrower and the Loan Parties previously leased, sold or disposed of (other than dispositions otherwise permitted by this Section 7.6) as permitted by this Section during any fiscal year of the Borrower do not exceed one percent (1%) of Consolidated Tangible Assets in the aggregate;

(e) So long as the Borrower makes the prepayments and/or reinvestment of proceeds required under Section 2.12(a) in respect thereof, sales or dispositions of assets outside the ordinary course of business with an aggregate fair market value not to exceed, during the term of this Agreement, $20,000,000; and

(f) Any lease, transfer or other disposition of its Property that constitutes a permitted Investment under Section 7.4.

Section 7.7. Transactions with Affiliates.

The Borrower will not, and will not permit any Restricted Subsidiary to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate (other than the Borrower and the Loan Parties) except (i) in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Restricted Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Restricted Subsidiary than the Borrower or such Restricted Subsidiary would obtain in a comparable arm's-length transaction, (ii) the Permitted Restructuring and (iii) Investments permitted under Section 7.4.

Section 7.8. Subsidiary Covenants.

The Borrower will not, and will not permit any Loan Party or any Subsidiaries of Propel Acquisition LLC to, create or otherwise cause to become effective any consensual encumbrance or restriction of any kind on the ability of any Loan Party or any Subsidiaries of Propel Acquisition LLC (i) to pay dividends or make any other distribution on its stock, (ii) to pay or prepay any Indebtedness or other obligation owed to the Borrower or any other Restricted Subsidiary, (iii) to make loans or advances or other Investments in the Borrower or any other Restricted Subsidiary, or (iv) to sell, transfer or otherwise convey any of its property to the Borrower or any other Restricted Subsidiary, other than (A) customary restrictions on transfers, business changes or similar matters relating to earn out obligations in connection with Permitted Acquisitions and (B) as provided in this Agreement, the Prudential Senior Secured Note Agreement and the Propel Indebtedness.

Section 7.9. Sale and Leaseback Transactions.

The Borrower shall not, nor shall it permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction.

Section 7.10. Financial Contracts.

The Borrower will not, nor will it permit any Restricted Subsidiary to, enter into or remain liable upon any Rate Management Transactions except for those entered into in the ordinary course of business for bona fide hedging purposes and not for speculative purposes.

Section 7.11. Acquisition of Receivables Portfolios.

The Borrower will not, nor will it permit any Restricted Subsidiary to, acquire any single or related series of Receivables Portfolio with a purchase price in excess of the lesser of (i) 50% of Consolidated Tangible Net Worth as of the Borrower's most recently ended fiscal quarter and based on the financial statements of the Borrower delivered hereunder for such fiscal quarter and (ii) $150,000,000 (it being agreed that any one or more tranches or groups of Receivables purchased by one or more Loan Parties from the same seller or an Affiliate of such seller within a period of seven (7) consecutive days shall be deemed to be a single acquisition). The Borrower will not, nor will it permit any Restricted Subsidiary to, (i) acquire any Receivable denominated in a currency other than Dollars, (ii) acquire any Receivable with respect to which the debtor is a resident of a jurisdiction other than the United States of America, (iii) acquire any Person which owns any Receivable denominated in a currency other than Dollars or any Receivable with respect to which the debtor is a resident of a jurisdiction other than the United States of America, or (iv) acquire any Person organized under the laws of any jurisdiction other than the United States of America or any state thereof, if, after giving effect to such acquisition, the aggregate outstanding book value (without duplication) of all such Receivables (in the case of the immediately preceding clauses (i) and (ii)), all such Receivables owned by such Person (in the case of the immediately preceding clause (iii)) and any and all Receivables owned by such Person (in the case of the immediately preceding clause (iv)) would exceed in the aggregate 40% of the total book value of all Receivables of the Borrower and its Restricted Subsidiaries at any time.

Section 7.12. Subordinated Indebtedness and Amendments to Subordinated Note Documents.

The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly voluntarily prepay, defease or in substance defease, purchase, redeem, retire or otherwise acquire, any Subordinated Indebtedness. Furthermore, the Borrower will not, and will not permit any Restricted Subsidiary to, amend the Subordinated Indebtedness Documents or any document, agreement or instrument evidencing any Indebtedness incurred pursuant to the Subordinated Indebtedness Documents (or any replacements, substitutions, extensions or renewals thereof) or pursuant to which such Indebtedness is issued where such amendment, modification or supplement provides for the following or which has any of the following effects:

(a) increases the overall principal amount of any such Indebtedness or increases the amount of any single scheduled installment of principal or interest;

(b) shortens or accelerates the date upon which any installment of principal or interest becomes due or adds any additional mandatory redemption provisions;

(c) shortens the final maturity date of such Indebtedness or otherwise accelerates the amortization schedule with respect to such Indebtedness;

(d) increases the rate of interest accruing on such Indebtedness;

(e) provides for the payment of additional fees or increases existing fees or changes any profit sharing arrangements to the detriment of the Borrower or any Loan Party;

(f) amends or modifies any financial or negative covenant (or covenant which prohibits or restricts the Borrower or any of its Restricted Subsidiaries from taking certain actions) in a manner which is more onerous or more restrictive in any material respect to the Borrower or such Restricted Subsidiary or which is otherwise materially adverse to the Borrower, its Restricted Subsidiaries and/or the Lenders or, in the case of any such covenant, which places material additional restrictions on the Borrower or such Restricted Subsidiary or which requires the Borrower or such Restricted Subsidiary to comply with more restrictive financial ratios or which requires the Borrower to better its financial performance, in each case from that set forth in the existing applicable covenants in the Subordinated Indebtedness Documents or the applicable covenants in this Agreement; or

(g) amends, modifies or adds any affirmative covenant in a manner which (a) when taken as a whole, is materially adverse to the Borrower, its Restricted Subsidiaries and/or the Lenders or (b) is more onerous than the existing applicable covenant in the Subordinated Indebtedness Documents or the applicable covenant in this Agreement.

Section 7.13. Government Regulation.

The Borrower shall not, and shall not permit any Subsidiary to (a) be or become subject at any time to any law, regulation, or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits any Lender from making any Credit Extension to the Borrower or from otherwise conducting business with the Borrower, or (b) fail to provide documentary and other evidence of any Subsidiary's identity as may be requested by any Lender at any time to enable such Lender to verify such Subsidiary's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

Section 7.14. Rentals.

The Borrower shall not permit, nor shall it permit any Restricted Subsidiary to, create, pay or incur Consolidated Rentals in excess of $15,000,000 for any fiscal year during the term of this Agreement on a consolidated basis for the Borrower and its Restricted Subsidiaries.

Section 7.15. Contingent Obligations.

The Borrower will not, nor will it permit any Restricted Subsidiary to, make or suffer to exist any Contingent Obligation (including, without limitation, any Contingent Obligation with respect to the obligations of a Subsidiary), except (i) by endorsement of instruments for deposit or collection in the ordinary course of business, (ii) the Reimbursement Obligations, (iii) any guaranty of the Secured Obligations, (iv) any liability of the Borrower or the Guarantors under the Loan Documents or the "Transaction Documents" (as defined in the Prudential Senior Secured Note Agreement), (v) Contingent Obligations in respect of customary indemnification and purchase price adjustment obligations incurred in connection with acquisitions or sales of assets, (vi) customary corporate indemnification obligations under charter documents, indemnification agreements with officers and directors and underwriting agreements and (vii) any liability under any Indebtedness permitted by Section 7.1 (it being acknowledged and agreed that none of the Borrower, the Guarantors or the Domestic Subsidiaries shall make or shall suffer to exist any Contingent Obligation in respect of Indebtedness of Foreign Subsidiaries), except to the extent permitted as Investments under Section 7.4).

Section 7.16. Capital Expenditures.

The Borrower will not, nor will it permit any Restricted Subsidiary to, expend, or be committed to expend, in excess of an aggregate of $20,000,000 for Capital Expenditures of the Borrower and its Restricted Subsidiaries during any fiscal year of the Borrower.

Section 7.17. Most Favored Lender Status.

If at any time any of the Prudential Financing, or any agreement or document related to the Prudential Financing or any Principal Credit Facility of the Borrower, includes (i) any covenant, event of default or similar provision that is not provided for in this Agreement, or (ii) any covenant, event of default or similar provision that is more restrictive than the same or similar covenant, event of default or similar provision provided in this Agreement (all such provisions described in the foregoing clauses (i) or (ii) of this Section 7.17 being referred to as the "Most Favored Covenants"), then (a) such Most Favored Covenant shall immediately and automatically be incorporated by reference in this Agreement as if set forth fully herein, mutatis mutandis, and no such provision may thereafter be waived, amended or modified under this Agreement except pursuant to the provisions of Section 10.2, and (b) the Borrower shall promptly, and in any event within five (5) Business Days after entering into any such Most Favored Covenant, so advise the Administrative Agent (for distribution to the Lenders) in writing. Thereafter, upon the request of the Required Lenders, the Borrower shall enter into an amendment to this Agreement with the Administrative Agent and the Required Lenders evidencing the incorporation of such Most Favored Covenant, it being agreed that any failure to make such request or to enter into any such amendment shall in no way qualify or limit the incorporation by reference described in clause (a) of the immediately preceding sentence.

Section 7.18. Use of Proceeds.

The Borrower will not request any Credit Extension with the intent, or for the purpose, of using the proceeds of such Credit Extension to purchase or otherwise acquire delinquent property tax receivables.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1. Events of Default.

The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) Nonpayment of (i) principal of any Loan when due, (ii) any Reimbursement Obligation within two Business Days after the same becomes due, or (iii) interest upon any Loan or any Commitment Fee, any fees in respect of Letters of Credit or other Obligations under any of the Loan Documents within five (5) Business Days after such interest, fee or other Obligation becomes due; or

(b) Any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Restricted Subsidiaries to the Lenders or the Agents under or in connection with this Agreement, any Credit Extension, or any certificate or written information delivered in connection with this Agreement or any other Loan Document shall be false in any material respect on the date as of which made or deemed made; or

(c) The breach by the Borrower of any of the terms or provisions of Section 5.1, Section 5.2, Section 5.9, Section 5.10, Section 5.11, ARTICLE VI or ARTICLE VII (other than Section 7.17); or

(d) The breach by the Borrower (other than a breach which constitutes an Event of Default under another Section of this ARTICLE VIII) of any of the terms or provisions of (i) this Agreement or (ii) any other Loan Document (beyond the applicable grace period with respect thereto, if any), in each case which is not remedied within thirty (30) days after the earlier to occur of (x) written notice from the Administrative Agent or any Lender to the Borrower or (y) an Authorized Officer otherwise becomes aware of any such breach; or

(e) Failure of the Borrower or any of its Restricted Subsidiaries to pay when due any Material Indebtedness (subject to any applicable grace period with respect thereto, if any, set forth in the Material Indebtedness Agreement evidencing such Material Indebtedness) which failure has not been (i) timely cured or (ii) waived in writing by the requisite holders of such Material Indebtedness; or the default by the Borrower or any of its Restricted Subsidiaries in the performance (beyond the applicable grace period with respect thereto, if any) of any term, provision or condition contained in any Material Indebtedness Agreement or any other event shall occur or condition exist thereunder and such default has not been (x) timely cured or (y) waived in writing by the requisite holders of the Material Indebtedness in respect thereof and the effect of such default, event or condition is to cause, or to permit the holder(s) of such Material Indebtedness or the lender(s) under any Material Indebtedness Agreement to cause, such Material Indebtedness to become due prior to its stated maturity or any commitment to lend under any Material Indebtedness Agreement to be terminated prior to its stated expiration date; or any Material Indebtedness of the Borrower or any of its Restricted Subsidiaries shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof; or the Borrower or any of its Restricted Subsidiaries shall not pay, or admit in writing its inability to pay, its debts generally as they become due; or

(f) The Borrower or any of its Restricted Subsidiaries shall (i) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating

to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate or partnership action to authorize or effect any of the foregoing actions set forth in this clause (f) or (vi) fail to contest in good faith any appointment or proceeding described in clause (g) immediately below; or

(g) Without the application, approval or consent of the Borrower or any of its Restricted Subsidiaries, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any of its Restricted Subsidiaries or any Substantial Portion of its Property, or a proceeding described in Section 8.1(f)(iv) shall be instituted against the Borrower or any of its Restricted Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 consecutive days; or

(h) Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Borrower and its Restricted Subsidiaries which, when taken together with all other Property of the Borrower and its Restricted Subsidiaries so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion; or

(i) The Borrower or any of its Restricted Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge one or more (i) judgments or orders for the payment of money in excess of $10,000,000 (or the equivalent thereof in currencies other than Dollars) in the aggregate, or (ii) nonmonetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgment(s), in any such case, is/are not stayed on appeal or otherwise being appropriately contested in good faith or otherwise not covered by a creditworthy insurer or indemnitor; or

(j) Any Reportable Event shall occur in connection with any Plan, which could reasonably be expected to result in a liability to the Borrower or any other member of the Controlled Group exceeding $10,000,000; or

(k) The Borrower or any other member of the Controlled Group shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if as a result of such reorganization or termination the aggregate annual contributions of the Borrower and the other members of the Controlled Group (taken as a whole) to all Multiemployer Plans which are then in reorganization or being terminated have been or will be increased, in the aggregate, over the amounts contributed to such Multiemployer Plans for the respective plan years of such Multiemployer Plans immediately preceding the plan year in which the reorganization or termination occurs by an amount exceeding $10,000,000; or

(l) The Borrower or any other member of the Controlled Group shall have been notified by the sponsor of a Multiemployer Plan that it has incurred, within the meaning of Section 4201 of ERISA, withdrawal liability to such Multiemployer Plan in an amount which, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Borrower or any other member of the Controlled Group as withdrawal liability (determined as of the date of such notification), exceeds $10,000,000 or requires payments exceeding $10,000,000 per annum; or

(m) Any Change of Control shall occur or exist; or

(n) Nonpayment by the Borrower or any Restricted Subsidiary of any Rate Management Obligation, when due or the breach by the Borrower or any Restricted Subsidiary of any term, provision or condition contained in any Rate Management Transaction or any transaction of the type described in the definition of "Rate Management Transactions," whether or not any Lender or Affiliate of a Lender is a party thereto; or

(o) The Borrower or any of its Restricted Subsidiaries shall violate any Environmental Law, which has resulted in liability to the Borrower or any of its Restricted Subsidiaries in an amount equal to $10,000,000 or more, which liability is not paid, bonded or otherwise discharged within 45 days or which is not stayed on appeal and being appropriately contested in good faith; or

(p) This Agreement (including amendments and supplements hereto), the Guaranty Agreement (including amendments and supplements thereto) or any Collateral Document (including amendments and supplements thereto) shall fail to remain in full force or effect or any action shall be taken to assert the invalidity or unenforceability of (including any action taken on the part of the Borrower or its Restricted Subsidiaries to assert such invalidity or unenforceability of), or which results in the invalidity or unenforceability of, any such Loan Document, or any Collateral Document shall, other than as permitted thereby, fail to create or maintain for any reason a valid and perfected security interest in any collateral purported to be covered thereby.

Section 8.2. Acceleration.

(a) If any Event of Default described in Section 8.1(f) or Section 8.1(g) occurs with respect to the Borrower, the obligations of the Lenders to make Loans hereunder and the obligation and power of the Issuing Bank to issue Letters of Credit shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of either Agent, the Issuing Bank or any Lender, and the Borrower will be and become thereby unconditionally obligated, without any further notice, act or demand, to pay the Administrative Agent an amount in immediately available funds, which funds shall be held in the LC Collateral Account, equal to the difference of (x) the amount of LC Obligations at such time *less* (y) the amount or deposit in the LC Collateral Account at such time which is free and clear of all rights and claims of third parties and has not been applied against the Obligations (the "Collateral Shortfall Amount"). If any other Event of Default occurs, the Required Lenders (or the Administrative Agent with the consent of the Required Lenders) may (a) terminate or suspend the obligations of the Lenders to make Loans hereunder and the obligation and power of the Issuing Bank to issue Letters of Credit, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives and (b) upon notice to the Borrower and in addition to the continuing right to demand payment of all amounts payable under this Agreement, make demand on the Borrower to pay,

and the Borrower will forthwith upon such demand and without any further notice or act pay to the Administrative Agent the Collateral Shortfall Amount which funds shall be deposited in the LC Collateral Account.

(b) If at any time while any Event of Default is continuing, the Administrative Agent determines that the Collateral Shortfall Amount at such time is greater than zero, the Administrative Agent may make demand on the Borrower to pay, and the Borrower will, forthwith upon such demand and without any further notice or act, pay to the Administrative Agent the Collateral Shortfall Amount, which funds shall be deposited in the LC Collateral Account.

(c) The Agents may at any time or from time to time after funds are deposited in the LC Collateral Account, subject to the terms of the Intercreditor Agreement, apply such funds to the payment of the Obligations and any other amounts as shall from time to time have become due and payable by the Borrower to the Lenders or the Issuing Bank under the Loan Documents.

(d) At any time while any Event of Default is continuing, neither the Borrower nor any Person claiming on behalf of or through the Borrower shall have any right to withdraw any of the funds held in the LC Collateral Account. After all of the Obligations have been indefeasibly paid in full and the Aggregate Revolving Loan Commitment has been terminated, any funds remaining in the LC Collateral Account shall be returned by the Collateral Agent to the Borrower or paid to whomever may be legally entitled thereto at such time, including pursuant to the Intercreditor Agreement.

(e) If, after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans and the obligation and power of the Issuing Bank to issue Letters of Credit hereunder as a result of any Event of Default (other than any Event of Default as described in Section 8.1(f) or Section 8.1(g) with respect to the Borrower) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Administrative Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

(f) All proceeds from each sale of, or other realization upon, all or any part of the Collateral during the existence of an Event of Default shall be applied pursuant to, and in accordance with, the Pledge and Security Agreement.

ARTICLE IX

THE ADMINISTRATIVE AGENT AND COLLATERAL AGENT

Section 9.1. Appointment; Nature of Relationship.

SunTrust Bank is hereby appointed by each of the Lenders as its contractual representative as Administrative Agent and Collateral Agent hereunder and under each other Loan Document, and each of the Lenders authorizes each of the Agents to enter into the Intercreditor Agreement, on behalf of such Lender (each Lender hereby agreeing to be bound by the terms of the Intercreditor Agreement, as if it were a party thereto, with the Holders of

Prudential Note Obligations to be intended third-party beneficiaries of such agreement) and each of the Lenders irrevocably authorizes each of the Agents to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Loan Documents. Each Agent agrees to act as such contractual representative upon the express conditions contained in this ARTICLE IX. Notwithstanding the use of the defined terms "Administrative Agent" or "Collateral Agent", it is expressly understood and agreed that the Agents shall not have any fiduciary responsibilities to any of the Secured Parties by reason of this Agreement or any other Loan Document and that the Agents are merely acting as the contractual representatives of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In their capacity as the Lenders' contractual representatives, (i) neither Agent hereby assumes any fiduciary duties to any of the Secured Parties, (ii) the Collateral Agent is a "representative" of the Secured Parties within the meaning of the term "secured party" as defined in the New York Uniform Commercial Code and (iii) each Agent is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders, for itself and on behalf of its Affiliates as Holders of Obligations, hereby agrees to assert no claim against either Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Holder of Obligations hereby waives. Except as expressly set forth herein, neither Agent shall have any duty to disclose, nor shall either Agent be liable for the failure to disclose, any information relating to the Borrower or any other Loan Party that is communicated to or obtained by the bank serving as such Agent or any of its Affiliates in any capacity.

Section 9.2. Powers.

Each Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the such Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. Neither Agent shall have any implied duties or fiduciary duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by such Agent.

Section 9.3. General Immunity.

Neither Agent nor any of their Related Parties shall be liable to the Borrower, or any Lender or Holder of Obligations for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final, non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person.

Section 9.4. No Responsibility for Loans, Recitals, Etc.

Neither Agent nor any of their Related Parties shall be responsible for or have any duty to ascertain, inquire into, or verify (a) any statement, warranty or representation made in connection with any Loan Document or any Borrowing; (b) the performance or observance of

any of the covenants or agreements of any obligor under any Loan Document, including, without limitation, any agreement by an obligor to furnish information directly to each Lender; (c) the satisfaction of any condition specified in ARTICLE III, except receipt of items required to be delivered solely to the Administrative Agent; (d) the existence or possible existence of any Default or Event of Default; (e) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith; (f) the value, sufficiency, creation, perfection or priority of any Lien in any Collateral; or (g) the financial condition of the Borrower or any guarantor of any of the Obligations or of any of the Borrower's or any such guarantor's respective Subsidiaries. Neither Agent shall have any duty to disclose to the Lenders information that is not required to be furnished by the Borrower to such Agent at such time, but is voluntarily furnished by the Borrower to such Agent (either in its capacity as an Agent or in its individual capacity).

Section 9.5. Action on Instructions of Lenders.

Each Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders (or all of the Lenders in the event that and to the extent that this Agreement expressly requires such), and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders. The Lenders hereby acknowledge that neither Agent shall be under any duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Required Lenders (or all of the Lenders in the event that and to the extent that this Agreement expressly requires such) or is otherwise required by the Intercreditor Agreement. Each Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

Section 9.6. Employment of Agents and Counsel.

Each Agent may execute any of its duties as Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Each Agent shall be entitled to advice of counsel concerning the contractual arrangement between such Agent and the Lenders and all matters pertaining to such Agent's duties hereunder and under any other Loan Document.

Section 9.7. Reliance on Documents; Counsel.

Each Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex, electronic mail message, statement, paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel reasonably selected by such Agent, which counsel may be employees of such Agent. For purposes of determining compliance with the conditions specified in Section 3.1 and Section 3.2, each

Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the applicable date specifying its objection thereto.

Section 9.8. Agent's Reimbursement and Indemnification.

The Lenders agree to reimburse and indemnify each Agent ratably in proportion to the Lenders' Pro Rata Share (i) for any amounts not reimbursed by the Borrower for which such Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other expenses incurred by such Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including, without limitation, for any expenses incurred by such Agent in connection with any dispute between such Agent and any Lender or between two or more of the Lenders) and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including, without limitation, for any such amounts incurred by or asserted against such Agent in connection with any dispute between such Agent and any Lender or between two or more of the Lenders), or the enforcement of any of the terms of the Loan Documents or of any such other documents, *provided* that (i) no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the such Agent and (ii) any indemnification required pursuant to Section 2.20(e) and Section 10.4(d) shall, notwithstanding the provisions of this Section, be paid by the relevant Lender in accordance with the provisions thereof. The obligations of the Lenders under this Section shall survive payment of the Secured Obligations and termination of this Agreement.

Section 9.9. Notice of Default.

No Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless such Agent has received written notice from a Lender or the Borrower referring to this Agreement describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that either Agent receives such a notice, such Agent shall give prompt notice thereof to the Lenders.

Section 9.10. Rights as a Lender.

In the event either Agent is a Lender, such Agent shall have the same rights and powers hereunder and under any other Loan Document with respect to its Revolving Commitment and its Credit Extensions as any Lender and may exercise the same as though it were not an Agent, and the term "Lender" or "Lenders" shall, at any time when an Agent is a

Lender, unless the context otherwise indicates, include such Agent in its individual capacity. Each Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which the Borrower or such Subsidiary is not restricted hereby from engaging with any other Person. Neither Agent, in its individual capacity, is obligated to remain a Lender.

Section 9.11. Lender Credit Decision.

Each Lender acknowledges that it has, independently and without reliance upon either Agent, the Arrangers or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon either Agent, the Arrangers or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

Section 9.12. Successor Administrative Agent.

The Administrative Agent (i) may resign at any time by giving written notice thereof to the Lenders and the Borrower and (ii), if the Total Exposure (as defined below) of the Administrative Agent and its Affiliates (in each case in their capacity as a Lender) is less than 7.5%, the Required Lenders may require the Administrative Agent to resign, such resignation to be effective upon the appointment of a successor Administrative Agent or, if no successor Administrative Agent has been appointed, forty-five (45) days after the retiring Administrative Agent gives notice of its intention to resign or the Required Lenders have requested such resignation. Upon any such resignation, the Required Lenders shall have the right to appoint, in consultation with the Borrower, on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders within thirty days after the resigning Administrative Agent's giving notice of its intention to resign, then the resigning Administrative Agent may appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. Notwithstanding the previous sentence, the Administrative Agent may at any time without the consent of the Borrower or any Lender, appoint any of its Affiliates which is a commercial bank as a successor Administrative Agent hereunder. If the Administrative Agent has resigned and no successor Administrative Agent has been appointed, the Lenders may perform all the duties of the Administrative Agent hereunder and the Borrower shall make all payments in respect of the Obligations to the applicable Lender and for all other purposes shall deal directly with the Lenders. No successor Administrative Agent shall be deemed to be appointed hereunder until such successor Administrative Agent has accepted the appointment. Any such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least $100,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning Administrative Agent. Upon the effectiveness of the resignation of the Administrative Agent, the resigning Administrative Agent shall be discharged from its duties and obligations hereunder and under the

Loan Documents. After the effectiveness of the resignation of an Administrative Agent, the provisions of this ARTICLE IX shall continue in effect for the benefit of such Administrative Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents. In the event that there is a successor to the Administrative Agent by merger, or the Administrative Agent assigns its duties and obligations to an Affiliate pursuant to this Section, then the term "Base Rate" as used in this Agreement shall mean the prime rate, base rate or other analogous rate of the new Administrative Agent. The term "Total Exposure" shall mean, at any time of determination with respect to the Revolving Commitment and Term Loans held by the Administrative Agent and its Affiliates (in their capacity as a Lender), the quotient (expressed as a percentage) of: (x) the sum of such Lenders' Revolving Commitments (or if the Revolving Commitments have been terminated or expired or the Revolving Loans have been declared to be due and payable, such Lenders' Revolving Credit Exposure) *plus* the outstanding principal amount of Term Loans of such Lenders *divided by* (y) the sum of all Lenders' Revolving Commitments (or if such Revolving Commitments have been terminated or expired or the Revolving Loans have been declared to be due and payable, the Revolving Credit Exposure of all Lenders) *plus* the outstanding principal amount of Term Loans of such Lenders.

Section 9.13. Delegation to Affiliates.

The Borrower and the Lenders agree that each Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which such Agent is entitled under ARTICLE IX and ARTICLE X.

Section 9.14. Co-Agents, Documentation Agent, Syndication Agent.

None of the Lenders, if any, identified in this Agreement as a "co-agent", "documentation agent" or "syndication agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to such Lenders as it makes with respect to the Administrative Agent in Section 9.11.

Section 9.15. Collateral Documents.

(a) Each Lender and the Administrative Agent authorizes the Collateral Agent to enter into each of the Collateral Documents to which it is a party and to take all action contemplated by such documents. Each Lender agrees that no Secured Parties (other than the Collateral Agent) shall have the right individually to seek to realize upon the security granted by any Collateral Document, it being understood and agreed that such rights and remedies may be exercised solely by the Collateral Agent for the benefit of the Secured Parties upon the terms of the Collateral Documents and the Intercreditor Agreement.

(b) In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Collateral Agent is hereby authorized (subject to the terms of the Intercreditor Agreement) to execute and deliver on behalf of the Secured Parties any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Collateral Agent on behalf of the Secured Parties.

(c) Subject to the terms of the Intercreditor Agreement, the Lenders and the Administrative Agent hereby authorize the Collateral Agent, at its option and in its discretion, to release any Lien granted to or held by the Collateral Agent upon any Collateral (i) upon termination of the Revolving Commitments and payment and satisfaction of all of the Obligations (other than contingent indemnity obligations, Banking Services Obligations and Rate Management Obligations) at any time arising under or in respect of this Agreement or the Loan Documents or the transactions contemplated hereby or thereby; (ii) as permitted by, but only in accordance with, the terms of the applicable Loan Document; or (iii) if approved, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. Upon request by the Collateral Agent at any time, the Lenders and the Administrative Agent will confirm in writing the Collateral Agent's authority to release particular types or items of Collateral pursuant to this Section.

(d) Upon any sale or transfer of assets constituting Collateral which is permitted pursuant to the terms of any Loan Document, or consented to in writing by the Required Lenders or all of the Lenders, as applicable, and upon at least five Business Days' prior written request by the Borrower to the Collateral Agent, the Collateral Agent shall (and is hereby irrevocably authorized by the Lenders and the Administrative Agent to), subject to the terms of the Intercreditor Agreement, execute such documents as may be necessary to evidence the release of the Liens granted to the Collateral Agent for the benefit of the Secured Parties herein or pursuant hereto upon the Collateral that was sold or transferred; provided, however, that (i) the Collateral Agent shall not be required to execute any such document on terms which, in the Collateral Agent's opinion, would expose the Collateral Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Secured Obligations or any Liens upon (or obligations of the Borrower or any Restricted Subsidiary in respect of) all interests retained by the Borrower or any Restricted Subsidiary, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral.

(e) Each Lender hereby directs, in accordance with the terms of this Agreement, the Agents: (i) to release any Guarantor from its obligations under the Guaranty Agreement and any Collateral Document (including the release of any Lien granted by such Guarantor under any such Collateral Document) in connection with (x) the designation of such Guarantor as an Unrestricted Subsidiary pursuant to the definition of "Unrestricted Subsidiary" or (y) the execution by any Subsidiary of Propel Acquisition LLC of an agreement evidencing Propel Indebtedness the terms of which prohibit such Subsidiary from providing a guaranty of the Obligations or the granting of security in respect thereto and (ii) to execute and deliver or file or authorize the filing of such documents, statements and instruments and do such other things as are necessary to release such Guarantor from such obligations (and to release such Liens) pursuant to this clause (e) promptly upon the effectiveness of any such release. Upon request by any Agent at any time, the Lenders shall confirm in writing each Agent's authority to release the applicable Guarantor pursuant to this clause (e).

(f) No agreement shall amend, modify or otherwise affect the rights or duties of the Collateral Agent without the prior written consent of the Collateral Agent.

Section 9.16. Reports.

Each Lender hereby agrees that (a) it has requested a copy of each Report prepared by or on behalf of either Agent; (b) neither Agent (i) makes any representation or warranty, express or implied, as to the completeness or accuracy of any Report or any of the information contained therein or any inaccuracy or omission contained in or relating to a Report nor (ii) shall be liable for any information contained in any Report; (c) the Reports are not comprehensive audits or examinations, and that any Person performing any field examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel and that the Agents undertake no obligation to update, correct or supplement the Reports; (d) it will keep all Reports confidential and strictly for its internal use, not share the Report with any Loan Party or any other Person except as otherwise permitted pursuant to this Agreement; and (e) without limiting the generality of any other indemnification provision contained in this Agreement, it will pay and protect, and indemnify, defend, and hold the Agents and any such other Person preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable attorney fees) incurred by as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

Section 9.17. Withholding Tax.

To the extent required by any applicable law, the Administrative Agent may withhold from any interest payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses.

Section 9.18. Administrative Agent May File Proofs of Claim.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any

Loan or any Revolving Credit Exposure shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans or Revolving Credit Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Bank, the Swingline Lender and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Bank, the Swingline Lender and the Administrative Agent and its agents and counsel and all other amounts due the Lenders, the Issuing Bank, the Swingline Lender and the Administrative Agent under Section 10.3) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and

(b) Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender, the Swingline Lender and the Issuing Bank to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders, the Swingline Lender and the Issuing Bank, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 10.3.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender, the Swingline Lender or the Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications to any party herein to be effective shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

To the Borrower: 3111 Camino Del Rio North
Suite 1300
San Diego, California 92123
Attention: Chief Financial Officer
Telecopy Number: 858-309-6998

To the Administrative Agent:	SunTrust Bank 3333 Peachtree Road 7th Floor Atlanta, Georgia 30326 Attention: Mr. Peter Wesemeier Telecopy Number: (404) 439-7390
With a copy to:	SunTrust Bank Agency Services 303 Peachtree Street, N. E./ 25th Floor Atlanta, Georgia 30308 Attention: Mr. Doug Weltz Telecopy Number: (404) 221-2001 and Alston & Bird LLP 1201 West Peachtree Street Atlanta, Georgia 30309 Attention: Rick D. Blumen, Esq. Telecopy: (404) 253-8366
To the Issuing Bank:	SunTrust Bank 25 Park Place, N. E./Mail Code 3706 Atlanta, Georgia 30303 Attention: Letter of Credit Department Telecopy Number: (404) 588-8129
To the Swingline Lender:	SunTrust Bank Agency Services 303 Peachtree Street, N.E./25th Floor Atlanta, Georgia 30308 Attention: Mr. Doug Weltz Telecopy Number: (404) 221-2001
To any other Lender:	the address set forth in the Administrative Questionnaire or the Assignment and Acceptance Agreement executed by such Lender

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All such notices and other communications shall, when transmitted by overnight delivery, or faxed, be effective when delivered for overnight (next-day) delivery, or transmitted in legible form by facsimile machine, respectively, or if mailed, upon the third Business Day after the date deposited into the mail or if delivered, upon delivery; provided, that notices delivered to the Administrative Agent, the Issuing Bank or the Swingline Lender shall not be effective until actually received by such Person at its address specified in this Section 10.1.

(b) Any agreement of the Administrative Agent, the Issuing Bank and the Lenders herein to receive certain notices by telephone, facsimile or other electronic transmission is solely for the convenience and at the request of the Borrower. The Administrative Agent, the Issuing Bank and the Lenders shall be entitled to rely on the authority of any Person purporting to be a Person authorized by the Borrower to give such notice and the Administrative Agent, the Issuing Bank and the Lenders shall not have any liability to the Borrower or other Person on account of any action taken or not taken by the Administrative Agent, the Issuing Bank and the Lenders in reliance upon such telephonic or facsimile notice. The obligation of the Borrower to repay the Loans and all other Obligations hereunder shall not be affected in any way or to any extent by any failure of the Administrative Agent, the Issuing Bank and the Lenders to receive written confirmation of any telephonic or facsimile notice or the receipt by the Administrative Agent, the Issuing Bank and the Lenders of a confirmation which is at variance with the terms understood by the Administrative Agent, the Issuing Bank and the Lenders to be contained in any such telephonic or facsimile notice.

(c) Notices and other communications to the Lenders, the Swingline Lender and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by Administrative Agent, provided that the foregoing shall not apply to notices to any Lender, the Swingline Lender or the Issuing Bank pursuant to ARTICLE II unless such Lender, the Swingline Lender, the Issuing Bank, as applicable, and Administrative Agent have agreed to receive notices under such Section by electronic communication and have agreed to the procedures governing such communications. The Administrative Agent or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(d) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

Section 10.2. Waiver; Amendments.

(a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or any other Loan Document, and no course of dealing between the Borrower and the Administrative Agent or any Lender, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power hereunder or thereunder. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies provided by law. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 10.2, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or the issuance of a Letter of Credit shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default or Event of Default at the time.

(b) Except as provided in Section 2.24 with respect to any Incremental Facility Amendment or Section 2.25 with respect to any Extension, no amendment or waiver of any provision of this Agreement or the other Loan Documents, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Borrower and the Required Lenders or the Borrower and the Administrative Agent with the consent of the Required Lenders and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, that no such supplemental agreement shall, without the consent of the Supermajority Lenders, amend or otherwise modify the definition of Estimated Remaining Collections or the methods and assumptions used in calculating Estimated Remaining Collections; provided, further that no amendment or waiver shall: (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the date fixed for any scheduled payment of any principal (excluding any mandatory prepayment) of, or interest on, any Loan or LC Disbursement or any fees hereunder or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date for the termination or reduction of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.21(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section 10.2 or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders which are required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the consent of each Lender; (vi) release the Borrower or, except as otherwise expressly permitted hereunder, any Guarantor, or limit the liability of the Borrower under the Loan Documents or any such Guarantor under any

guaranty agreement, without the written consent of each Lender (it being understood that the creation of a class of unrestricted or similarly designated Subsidiaries approved by the Required Lenders which class would not be required to guaranty the Obligations shall not be considered a release of any Guarantor); (vii) release all or substantially all of the Collateral securing any of the Obligations or agree to subordinate any Lien in such Collateral to any other creditor of the Borrower or any Subsidiary, without the written consent of each Lender; (viii) subordinate the Loans to any other Indebtedness without the consent of all Lenders; (ix) increase the aggregate of all Commitments (other than pursuant to Section 2.24(a)) without the consent of all of the Lenders; or (x) change Section 7.2 of the Security Agreement (or the defined terms therein) in a manner that would alter the sharing of payments required thereby without the written consent of each Lender (or Affiliate of such Lender) directly and adversely affected thereby; provided further, that no such agreement shall amend, modify or otherwise affect the rights, duties or obligations of the Administrative Agent, the Swingline Lender or the Issuing Bank without the prior written consent of such Person. Notwithstanding anything contained herein to the contrary, (x) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that (I) the Commitment of such Defaulting Lender may not be increased or extended without the consent of such Defaulting Lender and (II) subject in all respects to Section 2.23, no amendment or waiver shall reduce the principal amount of any Loan or reduce the rate of interest on any Loan, in each case, owing to a Defaulting Lender, without the consent of such Defaulting Lender and (y) this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Borrower and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated (but such Lender shall continue to be entitled to the benefits of (a), Section 2.20, Section 2.20(a) and Section 10.3), such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement. Notwithstanding anything herein or otherwise to the contrary, any Event of Default occurring hereunder shall continue to exist (and shall be deemed to be continuing) until such time as such Event of Default is waived in writing in accordance with the terms of this Section notwithstanding (i) any attempted cure or other action taken by the Borrower or any other Person subsequent to the occurrence of such Event of Default or (ii) any action taken or omitted to be taken by the Administrative Agent or any Lender prior to or subsequent to the occurrence of such Event of Default (other than the granting of a waiver in writing in accordance with the terms of this Section).

Section 10.3. Expenses; Indemnification.

(a) The Borrower shall reimburse the Agents and the Arrangers for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' and paralegals' fees and time charges of attorneys for each Agent, which attorneys may be employees of such Agent and expenses of and fees for other advisors and professionals engaged by such Agent or the Arrangers) paid or incurred by any Agent or the Arrangers in connection with the investigation, preparation, negotiation, documentation, execution, delivery, syndication, distribution (including, without limitation, via the internet), review, amendment, modification and administration of the Loan Documents. The Borrower also agrees to reimburse the Agents, the Arrangers, the Issuing Bank and the Lenders for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' and paralegals' fees and time charges

and expenses of attorneys and paralegals for the Agents, the Arrangers, the Issuing Bank and the Lenders, which attorneys and paralegals may be employees of the Agents, the Arrangers, the Issuing Bank or the Lenders) paid or incurred by the Agents, the Arrangers, the Issuing Bank or any Lender in connection with (i) the collection and enforcement of the Loan Documents and (ii) any workout, restructuring or negotiations in respect of any of the Obligations. Expenses being reimbursed by the Borrower under this Section include, without limitation, the cost and expense of obtaining the field examination contemplated by Section 5.7 and the preparation of Reports described in the following sentence based on the fees charged by a third party retained by either Agent or the internally allocated fees for each Person employed by such Agent with respect to each field examination. The Borrower acknowledges that from time to time either Agent may prepare and may distribute to the Lenders (but shall have no obligation or duty to prepare or to distribute to the Lenders) certain audit reports (the "Reports") pertaining to the Borrower's assets for internal use by the Agents from information furnished to them by or on behalf of the Borrower, after either such Agent has exercised its rights of inspection pursuant to this Agreement.

(b) The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender, the Swingline Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, penalties and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) the use by any Person of any information or materials obtained by or through SyndTrak or other internet web sites, (iv) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) The Borrower shall pay, and hold the Administrative Agent, the Issuing Bank, the Swingline Lender and each of the Lenders harmless from and against, any and all present and future stamp, documentary, and other similar taxes with respect to this Agreement and any other Loan Documents, any collateral described therein, or any payments due thereunder, and save the Administrative Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay or omission to pay such taxes.

(d) To the extent that the Borrower fails to pay any amount required to be paid to the Administrative Agent, the Issuing Bank or the Swingline Lender under clauses (a), (b) or (c) of this Section 10.3, each Lender severally agrees to pay to the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender's Pro Rata Share (determined as of the time that the unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided, that the unreimbursed expense or indemnified payment, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Bank or the Swingline Lender in its capacity as such.

(e) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to actual or direct damages) arising out of, in connection with or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated herein or therein, any Loan or any Letter of Credit or the use of proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(f) All amounts due under this Section 10.3 shall be payable promptly after written demand therefor.

Section 10.4. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (g) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (in each case with respect to either Facility) any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to either Facility) or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in Section 10.4(b)(i)(A), the aggregate amount of the Commitment (which for this purpose includes Loans and Revolving Credit Exposure outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans and Revolving Credit Exposure of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Acceptance, as of the Trade Date) shall not be less than $3,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); *provided* that the Borrower shall be deemed to have consented to any such lower amount unless it shall object thereto by written notice to the Administrative Agent within 5 Business Days after having received notice thereof.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans, Revolving Credit Exposure or the Commitments assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-*pro rata* basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by Section 10.4 (b)(i)(B) and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 5 Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) the Revolving Facility or any unfunded Commitments with respect to the Term Loan Facility if such assignment is to a Person that is not a Lender with a Commitment in respect of such Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender, or (ii) any Term Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the Issuing Bank and Swingline Lender shall be required for any assignment in respect of the Revolving Facility.

(iv) Assignment and Acceptance. The parties to each assignment shall deliver to the Administrative Agent (A) a duly executed Assignment and Acceptance, (B) a processing and recordation fee of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment, (C) an Administrative Questionnaire unless the assignee is already a Lender and (D) the documents required under Section 2.20 if such assignee is a Foreign Lender.

(v) No Assignment to Borrower. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Bank, the Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Applicable Revolver Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section 10.4, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.18 and Section 10.3 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section 10.4. If the consent of the Borrower to an assignment is required hereunder (including a consent to an assignment which does not meet the minimum assignment thresholds specified above), the Borrower shall be deemed to have given its consent five (5) Business Days after the date notice thereof has actually been delivered by the assigning Lender (through the Administrative Agent) to the Borrower, unless such consent is expressly refused by the Borrower prior to such fifth Business Day.

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in Atlanta, Georgia a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and Revolving Credit Exposure owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Lender at any reasonable time and from time to time upon reasonable prior notice; information contained in the Register shall also be available for inspection by the Borrower at any reasonable time and from time to time upon reasonable prior notice. In establishing and maintaining the Register, the Administrative Agent shall serve as the Borrower's agent solely for tax purposes and solely with respect to the actions described in this Section, and the Borrower hereby agrees that, to the extent SunTrust Bank serves in such capacity, SunTrust Bank and its officers, directors, employees, agents, sub-agents and affiliates shall constitute an "Indemnitee" for purposes of Section 10.3.

(d) Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, the Issuing Bank or the Swingline Lender sell participations to any Person (other than a natural person, the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain

unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders, the Issuing Bank and the Swingline Lender shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 2.20(e) with respect to any payments made by such Lender to its Participant(s).

(e) Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.2(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Section 2.18 and Section 2.20 (subject to the requirements and limitations therein, including the requirements under Section 2.20(g)(it being understood that the documentation required under Section 2.20(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.25 and Section 2.27 as if it were an assignee under clause (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.18 and Section 2.20, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.27 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.8 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.21(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or to any central bank having jurisdiction over such Lender; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 10.5. Performance of Obligations.

The Borrower agrees that the Collateral Agent may, but shall have no obligation to (i) at any time, pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against any Collateral and (ii) after the occurrence and during the continuance of a Default make any other payment or perform any act required of the Borrower under any Loan Document or take any other action which the Collateral Agent in its discretion deems necessary or desirable to protect or preserve the Collateral, including, without limitation, any action to (x) effect any repairs or obtain any insurance called for by the terms of any of the Loan Documents and to pay all or any part of the premiums therefor and the costs thereof and (y) pay any rents payable by the Borrower which are more than 30 days past due, or as to which the landlord has given notice of termination, under any lease. The Collateral Agent shall use its best efforts to give the Borrower notice of any action taken under this Section prior to the taking of such action or promptly thereafter provided the failure to give such notice shall not affect the Borrower's obligations in respect thereof. The Borrower agrees to pay the Collateral Agent, upon demand, the principal amount of all funds advanced by the Collateral Agent under this Section, together with interest thereon at the rate from time to time applicable to Base Rate Loans from the date of such advance until the outstanding principal balance thereof is paid in full. If the Borrower fails to make payment in respect of any such advance under this Section within one (1) Business Day after the date the Borrower receives written demand therefor from the Collateral Agent, the Collateral Agent shall promptly notify each Lender and each Lender agrees that it shall thereupon make available to the Collateral Agent, in Dollars in immediately available funds, the amount equal to such Lender's Pro Rata Share of such advance. If such funds are not made available to the Collateral Agent by such Lender within one (1) Business Day after the Collateral Agent's demand therefor, the Collateral Agent will be entitled to recover any such amount from such Lender together with interest thereon at the Federal Funds Rate for each day during the period commencing on the date of such demand and ending on the date such amount is received. The failure of any Lender to make available to the Administrative Agent its Pro Rata Share of any such unreimbursed advance under this Section shall neither relieve any other Lender of its obligation hereunder to make available to the Collateral Agent such other Lender's Pro Rata Share of such advance on the date such payment is to be made nor increase the obligation of any other Lender to make such payment to the Collateral Agent. All outstanding principal of, and interest on, advances made under this Section shall constitute Obligations secured by the Collateral until paid in full by the Borrower

Section 10.6. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be construed in accordance with and be governed by the law (without giving effect to the conflict of law principles thereof) of the State of New York**.**

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the United States District Court of the Southern District of New York, and of the Supreme Court of the State of New York sitting in New York county and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York court or, to the extent permitted by applicable law, such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower irrevocably and unconditionally waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding described in paragraph (b) of this Section 10.4(a) and brought in any court referred to in paragraph (b) of this Section 10.4(a). Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to the service of process in the manner provided for notices in Section 10.1. Nothing in this Agreement or in any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

Section 10.7. WAIVER OF JURY TRIAL.

EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.8. Right of Setoff.

If an Event of Default shall have occurred and be continuing, or if any Loan Party shall have become insolvent, however evidenced, each Lender (including the Swingline Lender), the Issuing Bank, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, the Issuing Bank or any such Affiliate, to or for the credit or the account of any Loan Party against any and all of the obligations of the Loan Parties now or hereafter existing under this Agreement or any other Loan Document to such Lender or the Issuing Bank or their respective Affiliates, irrespective of whether or not such Lender, the Issuing Bank or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Loan Parties may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or the Issuing Bank different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff hereunder or under any other Loan Document, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.23 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Bank, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the Issuing Bank or their respective Affiliates may have. Each Lender and the Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.9. Counterparts; Integration.

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy or by email, in pdf format), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Agreement, the Fee Letter, the other Loan Documents, and any separate letter agreement (s) relating to any fees payable to the Administrative Agent constitute the entire agreement among the parties hereto and thereto regarding the subject matters hereof and thereof and supersede all prior agreements and understandings, oral or written, regarding such subject matters. Delivery of an executed counterpart of a signature page of this Agreement and any other Loan Document by telecopy or by email, in pdf format, shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Document.

Section 10.10. Survival.

All covenants, agreements, representations and warranties made by the Borrower herein, in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the

making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Section 2.18(a), Section 2.19, Section 2.20 and Section 10.3 and ARTICLE IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof. All representations and warranties made herein, in the Loan Documents in the certificates, reports, notices, and other documents delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents, and the making of the Loans and the issuance of the Letters of Credit.

Section 10.11. Severability.

Any provision of this Agreement or any other Loan Document held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof or thereof; and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.12. Confidentiality.

The Administrative Agent and each Lender agrees to hold any Confidential Information (as hereinafter defined) which it may receive from the Borrower in connection with this Agreement in confidence, except for disclosure (i) to its Affiliates and to the Agents and any other Lender and their respective Affiliates in connection with the transactions contemplated by this Agreement (provided that such parties are informed of the confidential nature of the Confidential Information and are instructed to keep such Confidential Information confidential), (ii) to legal counsel, accountants, and other professional advisors to such Lender or to a Transferee (as defined below) in connection with the transactions contemplated by this Agreement (provided that such parties are informed of the confidential nature of the Confidential Information and are instructed to keep such Confidential Information confidential), (iii) to regulatory agencies or authorities purporting to have jurisdiction over the Loan Parties (including bank examiners and any self-regulatory authority such as the National Association of Insurance Commissioners) upon request or as required by law, (iv) subject to the proviso below, to any Person as requested pursuant to or as required by law, regulation, or legal process, (v) to its direct or indirect contractual counterparties and prospective counterparties in swap agreements related to the Credit Extensions or to legal counsel, accountants and other professional advisors to such counterparties when provided for such purposes, (vi) permitted by the last sentence of this Section, (vii) to rating agencies if requested or required by such agencies in connection with a rating relating to the Credit Extensions hereunder, (viii) the CUSIP Service Bureau or any similar organization and (ix) in connection with enforcement of the rights and remedies of the

Agents or any Lender under the Loan Documents to the extent such disclosure is necessary or appropriate to pursue such enforcement in a commercially reasonable manner; provided that, in the case of subsection (iv) to the extent permitted by applicable law, the Administrative Agent or relevant Lender to whom the disclosure request or requirement is made, agrees to use its commercially reasonable efforts to promptly notify the Borrower of such request or requirement so that the Borrower may (a) seek an appropriate protective order or other appropriate order at the Borrower's sole cost and expense and/or (b) waive compliance with this proviso (it being understood and agreed that if the Borrower does not have the right to obtain such an order or if the Borrower does not commence procedures to obtain such a protective order within 5 Business Days of receipt of such notice, the Administrative Agent and Lenders' compliance with this proviso shall be deemed to have been waived with respect to such disclosure). Without limiting Section 10.9, the Borrower agrees that the terms of this Section shall set forth the entire agreement between the Borrower and each Lender (including the Agents) with respect to any Confidential Information previously or hereafter received by such Lender in connection with this Agreement, and this Section shall supersede any and all prior confidentiality agreements entered into by such Lender with respect to such Confidential Information. As used in this Section, "Confidential Information" means any information or material regarding the business operations, procedures, methods and plans of the Borrower and its Subsidiaries, any financial data, proposed transaction or financing structures, information relating to the Receivables or the Receivables Portfolios, and all reports (other than copies of reports filed with the Securities and Exchange Commission) and other information provided pursuant to Section 5.1, together with all notes, analyses, compilations, studies and other documents to the extent they contain or otherwise reflect such information; provided that "Confidential Information" shall not include any such information which (i) is generally available to the public at the time it is provided by, or on behalf of, the Borrower or any Subsidiary, (ii) was known to the intended recipient prior to such information being disclosed to either Agent or any Lender and/or (iii) is independently developed by or for the Agents or any Lender. The Borrower authorizes each Lender to disclose to any Participant or Eligible Assignee or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries, including without limitation any information contained in any Reports; *provided* that each Transferee and prospective Transferee agrees to be bound by this Section.

Section 10.13. Interest Rate Limitation.

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which may be treated as interest on such Loan under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate of interest (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by a Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 10.13 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Rate to the date of repayment, shall have been received by such Lender.

Section 10.14. Waiver of Effect of Corporate Seal.

The Borrower represents and warrants that neither it nor any other Loan Party is required to affix its corporate seal to this Agreement or any other Loan Document pursuant to any Requirement of Law, agrees that this Agreement is delivered by Borrower under seal and waives any shortening of the statute of limitations that may result from not affixing the corporate seal to this Agreement or such other Loan Documents.

Section 10.15. Patriot Act.

The Administrative Agent and each Lender hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the Patriot Act. Each Loan Party shall, and shall cause each of its Subsidiaries to, provide to the extent commercially reasonable, such information and take such other actions as are reasonably requested by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

Section 10.16. Independence of Covenants.

All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 10.17. No Advisory or Fiduciary Relationship.

In connection with all aspects of the transactions contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Lenders and the Arrangers are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Lenders and the Arrangers, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Administrative Agent, the Lenders and each Arrangers is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent nor any Lender or Arranger has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan

Documents; and (iii) the Administrative Agent, each Lender and each Arranger and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any Lender or Arrangers has any obligation to disclose any of such interests to the Borrower or any of its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent or any Lender or either Arranger with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

(remainder of page left intentionally blank)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

ENCORE CAPITAL GROUP, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

[Signature Page to Amended And Restated Credit Agreement]

SUNTRUST BANK
as Administrative Agent, Collateral Agent, as Issuing Bank, as Swingline Lender and as a Lender

By: /s/ Peter Wesemeier
Name: Peter Wesemeier
Title: Vice President

[Signature Page to Amended And Restated Credit Agreement]

Bank of America, N.A., as a Lender

By: /s/ Angel Sutoyo
Name: Angel Sutoyo
Title: Vice President

[Signature Page to Amended And Restated Credit Agreement]

FIFTH THIRD BANK, as a
Lender

By: /s/ Gregory Vollmer
Name: Gregory Vollmer
Title: Vice President

[Signature Page to Amended And Restated Credit Agreement]

ING Capital, LLC, as a
Lender

By: /s/ Mary Forstner
Name: Mary Forstner
Title: Director

[Signature Page to Amended And Restated Credit Agreement]

Morgan Stanley Bank, N.A.,
as a Lender

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

[Signature Page to Amended And Restated Credit Agreement]

Deutsche Bank AG, New
York Branch, as a
Lender

By: /s/ Roey Eyal
Name: Roey Eyal
Title: Director

By: /s/ Ryan M. Stark
Name: Ryan M. Stark
Title: Director

[Signature Page to Amended And Restated Credit Agreement]

CALIFORNIA BANK & TRUST, as a Lender

By: /s/ Michael Powell
Name: Michael Powell
Title: Senior Vice President

[Signature Page to Amended And Restated Credit Agreement]

Citibank, N.A., as a Lender

By: /s/ Rita Raychaudhuri
Name: Rita Raychaudhuri
Title: Senior Vice President

[Signature Page to Amended And Restated Credit Agreement]

BANK LEUMI USA, as a Lender

By: /s/ Alex Menache
Name: Alex Menache
Title: Commercial Loan Officer

[Signature Page to Amended And Restated Credit Agreement]

Israel Discount Bank of
New York, as a Lender

By: /s/ Kenneth Lipke
Name: Kenneth Lipke
Title: Vice President

By: /s/ Daniel Aviv
Name: Daniel Aviv
Title: Vice President

[Signature Page to Amended And Restated Credit Agreement]

FIRST BANK, as a Lender

By: /s/ Susan J. Pepping
Name: Susan J. Pepping
Title: Vice President

[Signature Page to Amended And Restated Credit Agreement]

Amalgamated Bank, as a Lender

By: /s/ Jackson Eng
Name: Jackson Eng
Title: First Vice President

[Signature Page to Amended And Restated Credit Agreement]

Union Bank, N.A., as a
Lender

By: /s/ Edmund Ozorio
Name: Edmund Ozorio
Title: Vice President

[Signature Page to Amended And Restated Credit Agreement]

Cathay Bank, as a
Lender

By: /s/ Shahid Kathrada
Name: Shahid Kathrada
Title: Vice President

[Signature Page to Amended And Restated Credit Agreement]

Chang Hwa Commercial Bank, Ltd.,
New York Branch, as a Lender

By: /s/ Eric Y.S. Tsai
Name: Eric Y.S. Tsai
Title: V.P. & General Manager

[Signature Page to Amended And Restated Credit Agreement]

Manufacturers Bank, as
a Lender

By: /s/ Sandy Lee
Name: Sandy Lee
Title: Vice President

[Signature Page to Amended And Restated Credit Agreement]

BARCLAYS BANK PLC, as Lender

By: /s/ Alicia Borys
Name: Alicia Borys
Title: Vice President

[Signature Page to Amended And Restated Credit Agreement]

Schedule I-A

APPLICABLE MARGIN AND APPLICABLE PERCENTAGE

Pricing Level	Cash Flow Leverage Ratio	Applicable Margin for Eurodollar Loans	Applicable Margin for Base Rate Loans	Applicable Percentage for Commitment Fee
I	Less than 1.00:1.00	2.50% per annum	1.50% per annum	0.30% per annum
II	Less than 1.50:1.00 but greater than or equal to 1.00:1.00	2.75% per annum	1.75% per annum	0.35% per annum
III	Greater than or equal to 1.50:1.00	3.00% per annum	2.00% per annum	0.40% per annum

Schedule I-B

APPLICABLE MARGIN AND APPLICABLE PERCENTAGE
(Term Loan A-1)

Pricing Level	Cash Flow Leverage Ratio	Applicable Margin for Eurodollar Loans	Applicable Margin for Base Rate Loans
I	Less than 1.00:1.00	2.00% per annum	1.00% per annum
II	Less than 1.50:1.00 but greater than or equal to 1.00:1.00	2.25% per annum	1.25% per annum
III	Greater than or equal to 1.50:1.00	2.50% per annum	1.50% per annum

Schedule II-A

REVOLVING COMMITMENT AND TERM LOAN A COMMITMENT AMOUNTS

Lender	Revolving Commitment Amount	Term Loan A Commitment Amount
SunTrust Bank	$ 72,847,619.05	$ 16,552,380.95
Bank of America, N.A.	72,371,428.57	17,028,571.43
Fifth Third Bank	40,476,190.48	9,523,809.52
ING Capital LLC	40,476,190.48	9,523,809.52
Morgan Stanley Bank, N.A.	40,000,000.00	10,000,000.00
California Bank &Trust	32,380,952.38	7,619,047.62
Citibank, N.A.	28,333,333.33	6,666,666.67
Bank Leumi USA	19,185,714.29	4,514,285.71
Israel Discount Bank of New York	16,190,476.19	3,809,523.81
First Bank	14,166,666.67	3,333,333.33
Amalgamated Bank	12,142,857.14	2,857,142.86
Union Bank	12,142,857.14	2,857,142.86
Cathay Bank, California Banking Corporation	8,095,238.10	1,904,761.90
Chang Hwa Commercial Bank, Ltd., New York Branch	8,095,238.10	1,904,761.90
Manufacturers Bank	8,095,238.10	1,904,761.90
Total	**$ 425,000,000.00**	**$ 100,000,000**

Schedule II-B

TERM LOAN A-1 COMMITMENT AMOUNTS

Lender	Term Loan A-1 Commitment Amount
Deutsche Bank AG, New York Branch	$ 50,000,000.00
Total	**$ 50,000,000.00**

SCHEDULE 2.22

EXISTING LETTERS OF CREDIT

N/A

[SCHEDULE 2.22]

SCHEDULE 4.8

TAXES

Tax return for period of January 1, 2009 through December 31, 2010 for Encore Capital Group, Inc. and its subsidiaries is currently being audited by Massachusetts Department of Revenue. The tentative result of this audit is an expected refund of $2,434.

[SCHEDULE 4.8]

SCHEDULE 4.14

SUBSIDIARIES

Subsidiary	Jurisdiction of Organization	Percentage Ownership
Ascension Capital Group, Inc. (immaterial subsidiary)	Delaware	100% owned by Midland Credit Management
Midland Credit Management, Inc.	Kansas	100% owned by the Borrower
Midland Funding NCC-2 Corporation	Delaware	100% owned by Midland Funding NCC-2 Corporation
Midland Portfolio Services, Inc.	Delaware	100% owned by Midland Credit Management, Inc.
MRC Receivables Corporation	Delaware	100% owned by Midland Portfolio Services, Inc.
Midland International LLC	Delaware	100% owned by Midland Credit Management, Inc.
Propel Acquisition LLC	Delaware	100% owned by the Borrower
Midland India LLC	Minnesota	100% owned by Midland International LLC
Midland Funding LLC	Delaware	100% owned by Midland Portfolio Services, Inc.
Midland Credit Management India Private Limited	New Dehli, India	99.999% owned by Midland India LLC .001% owned by Midland International LLC
MCM Midland Management Costa Rica, SRL (immaterial subsidiary)	Costa Rica	100% owned by Midland Credit Management, Inc.
Midland Credit Management (Mauritius) Ltd. (immaterial subsidiary)	Mauritius	100% owned by Encore Capital Group, Inc.
BNC Retax, LLC	Texas	100% owned by Propel Acquisition LLC
Propel Financial Services, LLC	Texas	100% owned by Propel Acquisition LLC
Propel Funding, LLC	Delaware	100% owned by Propel Acquisition LLC
Propel Funding Ohio, LLC	Delaware	100% owned by Propel Funding, LLC
RioProp Holdings, LLC	Texas	50% owned by Propel Acquisition LLC 50% owned by Propel Financial Services, LLC
RioProp Ventures, LLC	Texas	100% owned by Propel Acquisition LLC

SCHEDULE 4.20

MATERIAL AGREEMENTS

Amended and Restated Senior Secured Note Purchase Agreement, dated as of February 10, 2011, by and among Encore Capital Group, Inc. and the purchasers named therein.

Credit Facility Loan Agreement, dated as of May 8, 2012, by and among Texas Capital Bank, National Association, as Administrative Agent, certain banks party thereto and Propel Financial Services, LLC.

[SCHEDULE 4.20]

SCHEDULE 5.12

POST-CLOSING OBLIGATIONS

1. As soon as available, but in any event no later than 30 days following the Closing Date, deliver to the Administrative Agent a landlord agreement among the Borrower, as tenant, The Irvine Company, as landlord and the Administrative Agent with respect to the leased property located at 3111 Camino Del Rio North, Suite 1300, San Diego, California, such landlord agreement to be in form and substance reasonably satisfactory to the Administrative Agent.

2. As soon as available, but in any event no later than 30 days following the Closing Date, deliver to the Administrative Agent stock certificates of MCM India Private Limited and MCM Midland Management Costa Rica, S.r.l, in each case in the Applicable Pledge Percentage, and related stock transfer powers duly executed in blank.

SCHEDULE 7.1(a)

EQUIPMENT FINANCING TRANSACTIONS

Lessor	Items on Lease	Purchase Price ($)
Cisco	3845 switch bundle, Catalyst 4500 switches, power supplies, etc (India main switch)	130,025.00
	SmartNET support for above	116,381.00
Cisco	Catalyst 4510 E series chassis, 8 48 port switches, power supplies, etc (In India)	68,435.00
	SmartNET support for above	31,219.00
Cisco	Cisco Phoenix switch, ASA IPS, maintenance	314,106.00
	ACG ASA IPS, MPLS router/DS3 and virtual switch for BKTrakker 2	68,762.00
Cisco	New videoconferencing system	211,993.00
	SAN_VCC40101310 - C40 integrator and 1080p camera added	26,197.00

[SCHEDULE 5.12]

Cisco	Catalyst 4500E switch	96,963.00
	Catalyst 6500 switch	52,200.00
	Catalyst 6500 48 port	17,400.00
	Steelhead 5050 and 1050 upgrade	64,181.00
	LMS 4.0 upgrade and support	8,876.00
	RSA upgrade - 25 tokens	8,700.00
	Steelhead 5050	71,311.00
	Tandberg Video Conference Bridge & 25 licenses	41,527.00
	Riverbed RSP Kit & Support	1,314.00
Cisco	4 new videoconferencing systems	58,091.00
	4500 switch & support for new building	188,391.00
Cisco	Feb 2012-12/31/2014 Cisco Smartnet maintenance (not capital)	165,939.42
Cisco	3 videoconferencing systems	30,185.00
	Catalyst 4500E & Support	87,688.00
	UPS	5,135.00
	A10 AX2500 & AX 1030	48,730.00
	License fee	269.00
Cisco	Telepresence conductor & software	75,866.00
Cisco	Steelhead software upgrade	9,744.00
	ASA 5525 with IPS	31,606.00

Schedule 4.14

CSI	iSeries upgrade, p6-570 8/8 way server, Dual drive LTO-4 tape library & fiber switch, additional storage to 3.7TB.	644,464.21
Dell	4 PowerEdge R710 servers	49,568.44
IBM	iLog & Websphere software	192,988.25
	iSeries maintenance	143,842.29
IBM	New Avaya phone system for ACG	175,407.51
	Freight	2,308.34
IBM	Cognos Server & SAS Server	52,573.28
	Training Credits	9,775.00
	50 Desktops & 40 monitors for Texas	41,100.50
IBM	Various MS licenses	273,545.84
IBM	SSD drive array	34,822.80
	750 Server Hardware	365,108.25
	Software & software maintenance	92,169.00
	Storage & peripherals	13,758.95
	IBM discount	–25,000.00
	Maintenance not on PACER.	3,487.00

Schedule 4.14

IBM	Sharepoint DB server - R810 Server Chassis, 128GB RAM, 2 Xeon E7540 CPUs	15,673.19
	20 Intel 10GbE Single Port NIC, PCIe-8	11,845.80
	RSA Policy change - 15 Dell M6500 laptop, 17", 4GB RAM	35,257.50
	RSA Policy change - 30 Dell Latitude E4310 3GB Laptops	43,062.50
	4 Dell R810 servers, 64GB, 2 X7560 CPUs	57,228.00
	2 10gbe network adapters	699.30
	30 Dell PCs for ACG	28,569.00
	25 780 Optiplex & monitors	24,169.00
	10 19" Monitors	1,983.70
IBM	Weblog licenses	137,700.17
IBM	Rational Team Concept & Consulting - Oxford (includes year 2 & 3 Support)	191,285.64
IBM	5 Optiplex 780 & Monitors	4,833.80
	15 Dell Monitors	3,411.15
	20 Dell PCs & Monitors	19,335.20

Schedule 4.14

IBM	Upgrade P6 to match P7 DASD	78,338.25
IBM	One year maintenance for iSeries	167,081.29
IBM	Year 2 of 3 year MS license agreement	297,396.38
IBM	iSeries disks & drives	79,555.50
IBM	21 PCs, 32 monitors,	27,238.86
	20 PCs, 60 monitors, 35 laptops	103,137.65
	20 PCs, 30 monitors	25,845.10
IBM	35 Optiplex PCs, 12 Laptops	56,746.85
IBM	True-up for MS licence fees, 12 months	198,780.48
IBM	Catalyst 4500 E & Support	112,313.00
	Riverbed Steelhead 2050 & Support	33,251.00
	Liebert UPS for Costa Rica	10,246.00
	Tandberg videoconferencing equipment	30,186.00
IBM	San Diego wireless Cisco infrastructure	56,617.00
IBM	One year Avaya maintenance support	197,738.00
IBM	Miscellaneous Comms, speakers	8,931.05
	Projector, screens, mounts	1574.59
	9 Polycom IP6000, 2 P7000, 2 phones	8,005.00
	5 55” TVs, 2 65” TVs	27,686.00

Schedule 4.14

IBM	200 Refurbished Phones	52,000.00
IBM	IBM Passport software renewal	234,199.53
IBM	IBM Infosphere software, Netezza app	440,586.36
IBM	2x 24x450GB Sas Drives & support	56,695.43
IBM	2x 24x450GB Sas Drives & support	56,687.60
IBM	Poweredge memory from En Point	18,540.00
IBM	25 E6320laptops, 50 mointors, 25 desktops	77,163.75
IBM	25 E6320 laptops, 15 790 desktops	62,886.25
IBM	IBM maintenance	222,901.30
IBM	VMWare software - VDI add on 250 users	70,294.00
IBM	VMWare software & maintenance	63,321.98

Schedule 4.14

US Bank	2 DS14Mk4 shelves, racks & cables 2 Dell Express x3650 M2 Xeon Quad core servers 120 Dell Opti 760 E8400 PCs - Phoenix	41,680.93 24,848.00 87,202.80
US Bank	400 Right to use licenses, 450 voicemail licenses, 200 ACD licenses, 10 soft phones	158,924.36
US Bank	1,942 CMEE R5 Avaya license upgrades	80,529.41
	iSeries disk upgrade - One 9117 Model MMA with 51 141.1GB disk drives	57,763.00
US Bank	Servers for new dialer - Application Host - x3650 M2 Xeon 4C E5520; Servers for new dialer - Report Archive Server - x3650 M2, Xeon 4c E5520; Servers for new dialer - Application Host - Voice Archive Server - x3650 Quad Core, 4GB memory, 6TB drives	23,231.93
US Bank	Progress Payment 1 - 50% of $330,731, 150 seat dialer system, Addendum A, 9/18/2009, includes $82,500 of maintenance, excludes travel estimate	403,331.00
US Bank	Progress Payment 2 - 50% of $444,209, 250 seat dialer system, Addendum B, 12/21/2009, includes $100,000 of maintenance, excludes travel estimate	509,055.00

US Bank	6 additional servers for Noble dialer. 2.9Ghz x3650 M2, Xeon 4C X5570 with 28GB ram and 3 75GB HDD	42,870.36
	30 Dell Optiplex 780 Core 2 E8400 & monitor for ACG	25,010.10
US Bank	2 Mimosa servers X3650 M2 XEON 4C X5570	28,890.00
	40 Dell desktops for ACG - Optiplex 780 Core 2 Duo E8400	33,143.10
	15 Dell desktops for ACG - Optiplex 780 Core 2 Duo E8400	10,333.65
	6 Dell Latitude E6500	9,719.88
	2 Dell Latitude E4200 laptops for execs	4,336.48
	101 CC R5 Elite licenses, 150 comms manager, other licenses	86,854.47
	136 Avaya 4621 telephones, 36 9640 IP phones (for Phoenix)	47,224.00
	101 Avaya phone licenses, 101 voicemail licenses, 50 ACD licenses	43,662.16
US Bank	Fibre drive shelfs - 14x1TB, 14 x 300GB, and SupportEdge (In Phoenix)	43,480.60

US Bank	Lost Data destruction/encryption software	50,000.00
US Bank	400 seat addition to dialer - initial 50% prepayment to Noble	1,785,008.00
US Bank	FAS 314A NetApp clusters for San Diego & Phoenix	417,547.43
	FAS 2040A NetApp cluster 12x300GB ACG	70,221.90
	Freight - not on PACER	4,200.29
US Bank	Fiber channel back up and tape library	73,678.16
	VMWare and tapes for above	31,985.25
	Freight - not on PACER	358.12
US Bank	SAN_HELPDESK071210 - 20 Latitude E4310laptops	30,905.60
	SAN_2LAPTOP072710	2,905.52
	Shipping	58.00
	Environmental fee	192.00
US Bank	80 Nobel seat licenses, install	169,542.00
US Bank	Noble redundant telephony server	257,900.00

Schedule 4.14

US Bank	Websense V5000 Appliance, software	126,800.00
US Bank	First installment 4/28/11	551,770.00
	Second half 6/28/11	497,234.00
US Bank	Noble G deposit 6/17/11	104,915.00
	Noble G Final 9/14/11	104,915.00
US Bank	Nobel H deposit 6/28/11	69,387.00
	Nobel H part 2 11/30/11	69,388.00
US Bank	4 8 port T1 spans	104,000.00
US Bank	Furniture	54,536.45
US Bank	2 8 Span T1 Nobel Hardware	57,400.00
US Bank	MV furniture	109,150.22
US Bank	Numerous Avaya licenses for Costa Rica & India	171,992.90
US Bank	Nobel 2nd host & 2 DDPs - headcount growth - 50% down - Addendum P	345,868.90
	2nd Payment	345,868.90
US Bank	NetAPP & UCS Blade Servers	268,041.28

Schedule 4.14

US Bank	Additional phone licenses in PHX	100,355.00
	Assorted furniture (excluding 7 tables)	616,254.51
	Delivery & Install	69,720.00

Schedule 4.14

SCHEDULE 7.1(b)

OUTSTANDING INDEBTEDNESS

1. Amended and Restated Senior Secured Note Purchase Agreement, dated as of February 10, 2011, by and between Encore Capital Group, Inc. and the purchasers named therein.
2. Deferred court costs advanced to contracted collections attorneys for certain out-of-pocket court costs and incurred in the ordinary course of business, and described more fully in Note 10 to the Condensed Consolidated Financial Statements included in Borrower's Form 10-Q filed August 2, 2012.
3. Obligations to participate in the Midland Credit Management, Inc. ("MCM") Executive Nonqualified Excess Plan (deferred compensation plan).
4. Obligations to participate in the MCM self-insured health insurance plans through Cigna and life insurance through Lincoln Financial.
5. The intercompany notes listed in Schedule 7.4(a) below.
6. The leases for real property listed below:

   3111 Camino Del Rio North, Ste. 1300
   San Diego, CA 92108
   Landlord: The Irvine Company

   8875 Aero Drive, San Diego, CA 92123
   Landlord: Aerovault Venture, L.P. c/o Property Management Ass.

   4302 East Broadway, Phoenix, AZ 85040
   Landlord: Pranjiwan R. Lodhia and Lolita Lodhia

   16 McLeland Road, St. Cloud, MN 56303
   Landlord: FMT Services, Inc. (sublessor)

   One Riverfront Plaza, Newark, NJ 07102
   Landlord: Matrix One Riverfront Plaza, LLC c/o Matrix Realty, Inc.
7. Capital lease obligations listed on Schedule 7.1(a).
8. LIBOR swap arrangements with the counterparties entered into as of the date and for the amounts shown below:

Date of swap	Counterparty	Amount
8/11/2010	JP Morgan	$25,000,000
8/19/2010	JP Morgan	$25,000,000
10/19/2010	BBVA Compass	$25,000,000
11/5/2010	ING	$25,000,000
5/25/2011	JP Morgan	$25,000,000
5/25/2011	Bank of America	$25,000,000

[SCHEDULE 5.12]

SCHEDULE 7.2

LIENS

Jurisdiction Searched	Name Searched (as appears, if found)	Secured Party/Plaintiff	File Number Date
Delaware, State	Encore Capital Group, Inc.	SunTrust Bank, as Collateral Agent	2010 0433734 filed 2/9/10
Delaware, State	Encore Capital Group, Inc.	SunTrust Bank, as Collateral Agent	2012 1959172 filed 5/22/12
California, San Diego	Encore Capital Group, Inc. Midland Credit Management, Inc.	Daniel Pepper	2011-00088752 filed 4/1/11
California, San Diego	Encore Capital Group, Inc. plus nine individuals	International Brotherhood of Electrical Workers Local 98 Pension Fund	2011-00097795 filed 9/13/11
California, Fed Litigation	Encore Capital Group, Inc.	Moser, Timothy W.	3:04-cv-02085-JLS-WMC filed 10/18/04
California, Fed Litigation	Encore Capital Group, Inc.	Telephone Consumer Protection Act Litigation	3:11-md-02286-MMA-MDD filed 10/12/11
California, Fed Litigation	Encore Capital Group, Inc.	Scardina,	3:11-cv-02370-MMA-MDD filed 10/13/11
California, Fed Litigation	Encore Capital Group, Inc.	Brown, Jimmi.	3:11-cv-02538-L-BGS filed 10/31/11
California, Fed Litigation	Encore Capital Group, Inc.	Resendiz, et al.	3:12-cv-02187-IEG-BGS filed 9/6/12
Kansas, State	Midland Credit Management, Inc.	SunTrust Bank, as Collateral Agent	5997135 filed 6/8/05
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	SHERMAN ACQUISITION LLC	6289888 filed 12/7/06
Kansas, State	Midland Credit Management, Inc.	EMCC Investment Ventures, LLC	6422299 filed 11/1/07
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	KEY EQUIPMENT FINANCE INC.	70546051 filed 2/11/08
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	KEY EQUIPMENT FINANCE INC.	70609719 filed 10/31/08
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	CSI LEASING, INC.	6549976 filed 12/8/08
Kansas, State	Midland Credit Management, Inc.	Roundup Funding, L.L.C.	6566608 filed 2/6/08
Kansas, State	Midland Credit Management, Inc.	Roundup Funding, L.L.C.	6572085 filed 2/20/09
Kansas, State	Midland Credit Management, Inc.	Roundup Funding, L.L.C.	6579189 filed 3/20/09
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	706050044 filed 5/7/09
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	Cisco Systems Capital Corporation	6608780 filed 6/24/09
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70669655 filed 8/14/09

Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70675785 filed 9/15/09
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70681056 filed 10/9/09

[SCHEDULE 5.12]

Jurisdiction Searched	Name Searched (as appears, if found)	Secured Party/Plaintiff	File Number Date
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70682237 filed 10/16/09
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP	70689760 filed 11/24/09
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70690933 filed 12/1/09
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	Cisco Systems Capital Corporation	6668172 filed 2/1/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	DELL FINANCIAL SERVICES L.L.C.	70713826 filed 2/3/10
Kansas, State	Midland Credit Management, Inc.	SunTrust Bank, as Collateral Agent	6671564 filed 2/9/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70727370 filed 3/4/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70727388 filed 3/4/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70727362 filed 3/4/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	Cisco Systems Capital Corporation	6693329 filed 4/29/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP	70759563 filed 5/6/10
Kansas, State	Midland Credit Management, Inc.	Velocity Investments, LLC	97854301 filed 5/10/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70770081 filed 5/28/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70770727 filed 5/28/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70770735 filed 5/28/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP	70783084 filed 6/24/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	70785329 filed 6/29/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70807214 filed 8/17/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70807222 filed 8/17/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	US BANCORP EQUIPMENT FINANCE, INC.	70807305 filed 8/17/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	Cisco Systems Capital Corporation	6733315 filed 9/22/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	70827592 filed 9/30/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	70828301 filed 10/1/10
Kansas, State	MIDLAND CREDIT	U.S. BANCORP BUSINESS	70845826 filed 11/10/10

	MANAGEMENT, INC.	EQUIPMENT FINANCE GROUP	
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	CISCO SYSTEMS CAPITAL CORPORATION	70848903 filed 11/17/10

Jurisdiction Searched	Name Searched (as appears, if found)	Secured Party/Plaintiff	File Number Date
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANCORP EQUIPMENT FINANCE, INC.	70854794 filed 12/2/10
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	70868711 filed 1/4/11
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANCORP BUSINESS EQUIPMENT FINANCE GROUP	70871152 filed 1/7/11
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	70880559 filed 1/25/11
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	70919530 filed 4/4/11
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANCORP EQUIPMENT FINANCE, INC.	70969956 filed 6/29/11
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANCORP EQUIPMENT FINANCE, INC.	70973412 filed 7/6/11
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	71017078 filed 9/23/11
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	71051994 filed 11/26/11
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANK EQUIPMENT FINANCE	71086081 filed 1/24/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANK EQUIPMENT FINANCE	71105899 filed 3/1/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	71123447 filed 3/30/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	71123603 filed 3/30/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	IBM CREDIT LLC	71124650 filed 4/2/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANK EQUIPMENT FINANCE	71128909 filed 4/6/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	Cisco Systems Capital Corporation	6893994 filed 4/10/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANK EQUIPMENT FINANCE	71139559 filed 4/20/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANK EQUIPMENT FINANCE	71148097 filed 5/2/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANK EQUIPMENT FINANCE	71148105 filed 5/2/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANK EQUIPMENT FINANCE, A DVISION OF U.S. BANK NATIONAL ASSOCIAT	71149731 filed 5/4/12
Kansas, State	Midland Credit Management, Inc.	SunTrust Bank, as Collateral Agent	6906820 filed 5/22/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANK EQUIPMENT FINANCE, A DVISION OF U.S. BANK NATIONAL ASSOCIAT	71182559 filed 6/19/12

Jurisdiction Searched	Name Searched (as appears, if found)	Secured Party/Plaintiff	File Number Date
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANK EQUIPMENT FINANCE	71191162 filed 6/28/12
Kansas, State	MIDLAND CREDIT MANAGEMENT, INC.	U.S. BANK EQUIPMENT FINANCE	71207703 filed 7/23/12
California, San Diego	Jeanne A and John Stephen Bateman Midland Credit Management, Inc. Mortgage Electronic Registration Systems Inc. Charles and Rosa Storniola Insurance Company of the West, Frank S. Lauro	Credigy Receivables, Inc.	2010-0094300 filed 6/15/10
California, San Diego	Encore Capital Group, Inc. Midland Credit Management, Inc.	Daniel Pepper	2011-00088752 filed 4/1/11
California, San Diego	Midland Credit Management, Inc.	Louise Frisco	2012-00095967 filed 4/20/12
California, Bankruptcy	Juan Manuel and Eustolia Alvarez. Midland Credit Management, Inc.	U.S. Bankruptcy Court Southern District of California (San Diego)	10-22832-LA13 filed 12/3/10
California, Fed Litigation	Midland Credit Management, Inc.	Tovar	3:10-cv-02600-MMA- MDD filed 12/17/2010
California, Fed Litigation	Midland Credit Management, Inc.	Telephone Consumer Protection Act Litigation	3:11-md-02286-MMA-MDD filed 10/12/2011
California, Fed Litigation	Midland Credit Management, Inc.	Scardina	3:11-cv-02370-MMA- MDD filed 10/13/2011
California, Fed Litigation	Midland Credit Management, Inc.	Brown, Jimmi	3:11-cv-02538-L-BGS filed 10/31/2011
California, Fed Litigation	Midland Credit Management, Inc.	Mcdole, Michael	3:12-cv-00967-LAB- MDD filed 4/18/12
California, Fed Litigation	Midland Credit Management, Inc.	Augstin, Ladie	3:12-cv-01046-MMA-WMC filed 4/27/12
California, Fed Litigation	Midland Credit Management, Inc.	Mompremier	3:12-cv-01203-MMA-WMC filed 5/18/12
California, Fed Litigation	Midland Credit Management, Inc.	Xandre	3:12-cv-01802-AJB- NLS filed 7/20/12

Jurisdiction Searched	Name Searched (as appears, if found)	Secured Party/Plaintiff	File Number Date
California, Fed Litigation	Midland Credit Management, Inc.	Rodriguez, Luis	3:12-cv-01813-JM- BGS filed 7/23/12
California, Fed Litigation	Midland Credit Management, Inc.	Steinberg	3:12-cv-01813-JM- BGS filed 7/27/12
California, Fed Litigation	Midland Credit Management, Inc.	Nogali	3:12-cv-01910-MMA- JMA filed 8/2/12
California, Fed Litigation	Midland Credit Management, Inc.	Resendiz	3:12-cv-02187-IEG- BGS filed 9/6/12
California, Fed Litigation	Midland Credit Management, Inc.	Bringman	3: 12-cv-02266-LAB- WVG filed 9/1812
Delaware, State	Midland International LLC	SunTrust Bank, as Collateral Agent	2010 0433981 filed 2/9/10
Delaware, State	Midland International LLC	SunTrust Bank, as Collateral Agent	2012 1959404 filed 5/22/12
Minnesota, State	Midland India LLC	SunTrust Bank, as Collateral Agent	201019088181 filed 2/9/10
Minnesota, State	Midland India LLC	SunTrust Bank, as Collateral Agent	201228393207 filed 5/22/12
Delaware, State	Midland Portfolio Services, Inc.	SunTrust Bank, as Collateral Agent	2010 0434039 filed 2/9/10
Delaware, State	Midland Portfolio Services, Inc.	SunTrust Bank, as Collateral Agent	2012 1959453 filed 5/22/12
Delaware, State	Midland Funding LLC	Senex Funding, LLC	2008 1650207 filed 5/13/08
Delaware, State	Midland Funding LLC	SunTrust Bank, as Collateral Agent	2010 0433858 filed 2/9/10
Delaware, State	Midland Funding LLC	SunTrust Bank, as Collateral Agent	2012 1959206 filed 5/22/12
California, San Diego	Beam, Jill E. Midland Funding LLC Does 1 through 10	Womack, Leonard	2012-00098798 filed 6/12/12
California, Fed Litigation	Midland Funding LLC	Robinson, Christopher etal	3:10-cv-02261-MMA-MDD filed 11/2/10
California, Fed Litigation	Midland Funding LLC	Shannon	3:11-cv-00239-MMA-NLS filed 2/4/11

Jurisdiction Searched	Name Searched (as appears, if found)	Secured Party/Plaintiff	File Number Date
California, Fed Litigation	Midland Funding LLC	Telephone Consumer Protection Act Litigation	3:11-md-02286-MMA-MDD filed 10/12/11
California, Fed Litigation	Midland Funding LLC	Martin	3:11-cv-02368-MMA-MDD filed 10/12/11
California, Fed Litigation	Midland Funding LLC	Scardina, Dave et al.	3:11-cv-2370-MMA-MDD filed 10/13/11
California, Fed Litigation	Midland Funding LLC	Brown et al.	3:11-cv-02538-L-BGS filed 10/31/11
California, Fed Litigation	Midland Funding LLC	Kimura	3:12-cv-00480-DMS-DHB filed 2/27/12
California, Fed Litigation	Midland Funding LLC	Real	3:12-cv-00528-DMS-DHB filed 3/2/12
California, Fed Litigation	Midland Funding LLC	Hauswirth	3:12-cv-00711-DMS-DHB filed 3/23/12
California, Fed Litigation	Midland Funding LLC	Stivers	3:12-CV-00725-BEN DHB filed 3/26/12
California, Fed Litigation	Midland Funding LLC	Acosta	3:12-cv-00758-DMS-DHB filed 3/29/12
California, Fed Litigation	Midland Funding LLC	Pollydore	3:12-cv-00778-DMS-DHB filed 3/30/12
California, Fed Litigation	Midland Funding LLC	Vogt	3:12-cv-00832-DMS-DHB filed 4/5/12
California, Fed Litigation	Midland Funding LLC	Tapp, Suzan	3:12-cv- 00872 DMS DHB filed 4/10/12
California, Fed Litigation	Midland Funding LLC	McDole	3:12-cv-00967-LAB-MDD filed 4/18/12
California, Fed Litigation	Midland Funding LLC	Nguyen	3:12-cv-01253-DMS-DHB filed 5/24/12
California, Fed Litigation	Midland Funding LLC	Nichols	3:12-cv-01552-IEG-NLS filed 6/25/12
California, Fed Litigation	Midland Funding LLC	Macias	3:12-CV-01800-LAB-JMA filed 7/20/12
California, Fed Litigation	Midland Funding LLC	Deguzman	3:12-cv-02064-JM-DHB filed 8/21/12

Jurisdiction Searched	Name Searched (as appears, if found)	Secured Party/Plaintiff	File Number Date
California, Fed Litigation	Midland Funding LLC	Resendiz, et al.	3:12-cv-02187-IEG-BGS filed 9/6/12
Delaware, State	MRC Receivables Corporation	SunTrust Bank, as Collateral Agent	2010 0433585 filed 2/9/10
Delaware, State	MRC Receivables Corporation	SunTrust Bank, as Collateral Agent	2012 1959511 filed 5/22/12
Delaware, State	Midland Funding NCC-2 Corporation	SunTrust Bank, as Collateral Agent	2010 0433916 filed 2/9/10
Delaware, State	Midland Funding NCC-2 Corporation	SunTrust Bank, as Collateral Agent	2012 1959313 filed 5/22/12
Delaware, State	Propel Acquisition LLC	SunTrust Bank, as Collateral Agent	2012 2418897 filed 6/22/12

SCHEDULE 7.4(a)

PERMITTED INVESTMENTS

None.

SCHEDULE 7.4(b)

EXISTING INVESTMENTS

None.

[SCHEDULE 7.4(b)]

EXHIBIT A
FORM OF ASSIGNMENT AND ASSUMPTION

[date to be supplied]

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each] [1] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each] [2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

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[1] For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

[2] For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

[3] Select as appropriate.

[4] Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]: _____

_____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

_____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]

3. Borrower(s): _____

4. Administrative Agent: SunTrust Bank, as the administrative agent under the Credit Agreement

5. Credit Agreement: [The [*amount*] Credit Agreement dated as of November 5, 2012 among [*name of Borrower(s)*], the Lenders parties thereto, SunTrust Bank, as Administrative Agent, and the other agents parties thereto]

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Facility Assigned[7]	Aggregate Amount of Commitment/Loans for all Lenders[8]	Amount of Commitment/Loans Assigned[8]	Percentage Assigned of Commitment/ Loans[9]	CUSIP Number
			$	$	%	
			$	$	%	
			$	$	%	

[7. Trade Date:][10]

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

[5] List each Assignor, as appropriate.

[6] List each Assignee, as appropriate.

[7] Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., "Revolving Credit Commitment," "Term Loan Commitment," etc.)

[8] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

[9] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[10] To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S][1]
[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S][2]
[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and][3] Accepted:

SUNTRUST BANK, as
Administrative Agent

By: _____
Title:

[Consented to:][4]

[NAME OF RELEVANT PARTY]

By: _____
Title:

[1] Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).
[2] Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).
[3] To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.
[4] To be added only if the consent of the Borrower and/or other parties (e.g. Swingline Lender, Issuing Bank) is required by the terms of the Credit Agreement.

ENCORE CAPITAL GROUP, INC.
AMENDED AND RESTATED CREDIT AGREEMENT

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.4(b)(iii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 10.4(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the

Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. [1] Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

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[1] The Administrative Agent should consider whether this method conforms to its systems. In some circumstances, the following alternative language may be appropriate:

"From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves."

EXHIBIT B

FORM OF BORROWING BASE CERTIFICATE

Encore Capital Group, Inc.
Borrowing Base Certificate
As of: **[DATE]**

Pursuant to, and in accordance with, the terms and provisions of that certain Amended and Restated Credit Agreement (as amended, restated, amended and restated, supplemented or otherwise modified to the date hereof, the "Credit Agreement"), by and among Encore Capital Group, Inc., a Delaware corporation ("Borrower"), the several banks and other financial institutions and lenders from time to time party thereto ("Lenders"), SunTrust Bank, as administrative agent for the Lenders (the "Agent"), as collateral agent to the Secured Parties, as issuing bank and as swingline lender and the other agents and arrangers party thereto, the Borrower is executing and delivering to Agent this Borrowing Base Certificate accompanied by supporting data (collectively referred to as the "Report"). Borrower represents and warrants to Agent that this Report is true and correct in all material respects, and is based on information contained in Borrower's records. Borrower, by the execution of this Report, hereby certifies that, as of the Calculation Date set forth below, the Receivables Portfolios included in the Borrowing Base referenced in this Report are performing, in the aggregate, at a sufficient level to support the amount of such Borrowing Base.

(in thousands)

	Adj Purchase Price	Total Collections to Date	Total Est. Collections	Total Life Collections	Total
2005					
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
Grand Total					

[Continued on Next Page]

Estimated Remaining Collections		
Estimated Remaining Collections from Receivables other than Debtor Receivables		
MULTIPLY: Advance Rate	X	[33]%[1]
(a) ERC Borrowing Base Calculation for Non Debtor Receivables		
Estimated Remaining Collections from Debtor Receivables		
MULTIPLY: Advance Rate	X	55%
(b) ERC Borrowing Base Calculation for Debtor Receivables[2]		
(1) Total ERC Borrowing Base Calculation (sum of (a) and (b) above)		
Net book value of Receivables Portfolios acquired after January 1, 2005		
MULTIPLY: Advance Rate	X	95%
(2) NBV Borrowing Base Calculation		
Initial Borrowing Base (lesser of (1) and (2) above)		
MINUS: Prudential Senior Secured Notes	–	
MINUS: Term Loan		
BORROWING BASE		
Aggregate Revolving Commitment		
Revolving Credit Exposure of all Lenders (aggregate)		
Borrowing Availability (lesser of Borrowing Base and aggregate Revolving Credit Exposure of all Lenders)		

[*Signature Page Follows*]

[1] Advance Rate is 33% until the first Advance Rate Measurement Date following the Closing Date and, thereafter calculated pursuant to the formula set forth in the definition of "Advance Rate". Provide supporting calculations of Advance Rate on Schedule I attached to this Borrowing Base Certificate.

[2] Subject to 35% limit as set forth in the definition of Borrowing Base. Provide supporting calculations for ERC Borrowing Base Calculation for Debtor Receivables (including 35% limitation) on Schedule II attached to this Borrowing Base Certificate.

ENCORE CAPITAL GROUP, INC.

By: _____
Name:
Title:

[EXHIBIT B]
[SIGNATURE PAGE TO BORROWING BASE CERTIFICATE]

EXHIBIT C

FORM OF [AMENDED AND RESTATED][1] REVOLVING CREDIT NOTE

, 201

ENCORE CAPITAL GROUP, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of [LENDER] or its registered assigns (the "Lender") the aggregate unpaid principal amount of all Revolving Loans made by the Lender to Borrower pursuant to the Agreement (as hereinafter defined), in immediately available funds at the place specified pursuant to Article II of the Agreement, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay, in Dollars, the principal of and accrued and unpaid interest on the Revolving Loans in full on the Revolving Commitment Termination Date and shall make such mandatory payments as are required to be made under the terms of Article II of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each Revolving Loan and the date and amount of each principal payment hereunder.

This **[Amended and Restated][1]** Revolving Credit Note (this "Note") is one of the Revolving Credit Notes issued pursuant to, and is entitled to the benefits of, the Amended and Restated Credit Agreement, dated as of , 2012 (which, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time, is herein called the "Agreement"), among the Borrower, the several banks and other financial institutions and lenders from time to time party thereto, SunTrust Bank, as Administrative Agent, as collateral agent to the Secured Parties (the "Collateral Agent"), as issuing bank and swingline lender, to which Agreement reference is hereby made for a statement of the terms and conditions governing this Note, including the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

This Note is equally and ratably secured by the Collateral Documents. Reference is hereby made to the Collateral Documents for a description of the collateral thereby mortgaged, warranted, bargained, sold, released, conveyed, assigned, transferred, pledged and hypothecated, the nature and extent of the security for this Note, the rights of the holder of this Note and the Collateral Agent in respect of such security and otherwise.

This Note shall be governed by, and construed in accordance with, the internal laws, but without regard to the conflict of law provisions, of the State of New York, but giving effect to federal laws applicable to national banks.

[1] Include for existing lenders only.

[This Note is given in replacement of a Note dated February 8, 2010, previously delivered to the Lender under the Existing Credit Agreement (as defined in the Credit Agreement) (the "Original Note". THIS NOTE IS NOT INTENDED TO BE, AND SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH THE ORIGINAL NOTE.][1]

ENCORE CAPITAL GROUP, INC.,
as Borrower

By: _____
Name:
Title:

[EXHIBIT C]
[SIGNATURE PAGE TO REVOLVING CREDIT NOTE]

SCHEDULE OF REVOLVING LOANS AND PAYMENTS OF PRINCIPAL
TO
REVOLVING CREDIT NOTE OF ENCORE CAPITAL GROUP, INC.

Date	Principal Amount of Revolving Loan	Principal Amount Paid	Unpaid Balance

[EXHIBIT C]
[SCHEDULE I TO REVOLVING CREDIT NOTE]

EXHIBIT D

FORM OF AMENDED AND RESTATED SWINGLINE NOTE

, 201

ENCORE CAPITAL GROUP, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of SunTrust Bank or its registered assigns (the "Lender") the aggregate unpaid principal amount of all Swingline Loans made by the Lender to Borrower pursuant to the Agreement (as hereinafter defined), in immediately available funds at the place specified pursuant to Article II of the Agreement, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay, in Dollars, the principal of and accrued and unpaid interest on the Swingline Loans in full on the Revolving Commitment Termination Date and shall make such mandatory payments as are required to be made under the terms of Article II of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each Swingline Loan and the date and amount of each principal payment hereunder.

This Amended and Restated Swingline Note (this "Note") is one of the Swingline Notes issued pursuant to, and is entitled to the benefits of, the Amended and Restated Credit Agreement, dated as of , 2012 (which, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time, is herein called the "Agreement"), among the Borrower, the several banks and other financial institutions and lenders from time to time party thereto, SunTrust Bank, as Administrative Agent, as collateral agent to the Secured Parties (the "Collateral Agent"), as issuing bank and swingline lender, to which Agreement reference is hereby made for a statement of the terms and conditions governing this Note, including the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

This Note is equally and ratably secured by the Collateral Documents. Reference is hereby made to the Collateral Documents for a description of the collateral thereby mortgaged, warranted, bargained, sold, released, conveyed, assigned, transferred, pledged and hypothecated, the nature and extent of the security for this Note, the rights of the holder of this Note and the Collateral Agent in respect of such security and otherwise.

This Note shall be governed by, and construed in accordance with, the internal laws, but without regard to the conflict of law provisions, of the State of New York, but giving effect to federal laws applicable to national banks.

This Note is given in replacement of a Note dated February 8, 2010, previously delivered to the Lender under the Existing Credit Agreement (as defined in the Credit Agreement) (the "Original Note". THIS NOTE IS NOT INTENDED TO BE, AND SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH THE ORIGINAL NOTE.

ENCORE CAPITAL GROUP, INC.,
as Borrower

By: _____
Name:
Title:

[EXHIBIT D]
[SIGNATURE PAGE TO SWINGLINE NOTE]

SCHEDULE OF SWINGLINE LOANS AND PAYMENTS OF PRINCIPAL
TO
SWINGLINE NOTE OF ENCORE CAPITAL GROUP, INC.

Date	Principal Amount of Swingline Loan	Principal Amount Paid	Unpaid Balance

[EXHIBIT D]
[SCHEDULE I TO SWINGLINE NOTE]

EXHIBIT E-1

FORM OF TERM NOTE A

, 201

ENCORE CAPITAL GROUP, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of [LENDER] or its registered assigns (the "Lender") the aggregate unpaid principal amount of the Term Loan A made by the Lender to Borrower pursuant to the Agreement (as hereinafter defined), in immediately available funds at the place specified pursuant to Article II of the Agreement, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay, in Dollars, the principal of and accrued and unpaid interest on the Term Loan A of the Lender in full on the Term Loan A Maturity Date and shall make such mandatory payments as are required to be made under the terms of Article II of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of the Term Loan A made by the Lender and the date and amount of each principal payment hereunder.

This Term Note A (this "Note") is a Term Note A issued pursuant to, and is entitled to the benefits of, the Amended and Restated Credit Agreement, dated as of , 2012 (which, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time, is herein called the "Agreement"), among the Borrower, the several banks and other financial institutions and lenders from time to time party thereto, SunTrust Bank, as Administrative Agent, as collateral agent for the Secured Parties (the "Collateral Agent"), as issuing bank and swingline lender, to which Agreement reference is hereby made for a statement of the terms and conditions governing this Note, including the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

This Note is equally and ratably secured by the Collateral Documents. Reference is hereby made to the Collateral Documents for a description of the collateral thereby mortgaged, warranted, bargained, sold, released, conveyed, assigned, transferred, pledged and hypothecated, the nature and extent of the security for this Note, the rights of the holder of this Note and the Collateral Agent in respect of such security and otherwise.

This Note shall be governed by, and construed in accordance with, the internal laws, but without regard to the conflict of law provisions, of the State of New York, but giving effect to federal laws applicable to national banks.

ENCORE CAPITAL GROUP, INC.,
as Borrower

By: _____
Name:
Title:

SCHEDULE OF TERM LOAN A AND PAYMENTS OF PRINCIPAL
TO
TERM NOTE OF ENCORE CAPITAL GROUP, INC.

Date	Principal Amount of Term Loan A	Principal Amount Paid	Unpaid Balance

[EXHIBIT E-1]
[SCHEDULE I TO TERM NOTE A]

EXHIBIT E-2

FORM OF TERM NOTE A-1

, 201

ENCORE CAPITAL GROUP, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of [LENDER] or its registered assigns (the "Lender") the aggregate unpaid principal amount of the Term Loan A-1 made by the Lender to Borrower pursuant to the Agreement (as hereinafter defined), in immediately available funds at the place specified pursuant to Article II of the Agreement, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay, in Dollars, the principal of and accrued and unpaid interest on the Term Loan A-1 of the Lender in full on the Term Loan A-1 Maturity Date and shall make such mandatory payments as are required to be made under the terms of Article II of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of the Term Loan A made by the Lender and the date and amount of each principal payment hereunder.

This Term Note A-1 (this "Note") is a Term Note A-1 issued pursuant to, and is entitled to the benefits of, the Amended and Restated Credit Agreement, dated as of , 2012 (which, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time, is herein called the "Agreement"), among the Borrower, the several banks and other financial institutions and lenders from time to time party thereto, SunTrust Bank, as Administrative Agent, as collateral agent for the Secured Parties (the "Collateral Agent"), as issuing bank and swingline lender, to which Agreement reference is hereby made for a statement of the terms and conditions governing this Note, including the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

This Note is equally and ratably secured by the Collateral Documents. Reference is hereby made to the Collateral Documents for a description of the collateral thereby mortgaged, warranted, bargained, sold, released, conveyed, assigned, transferred, pledged and hypothecated, the nature and extent of the security for this Note, the rights of the holder of this Note and the Collateral Agent in respect of such security and otherwise.

This Note shall be governed by, and construed in accordance with, the internal laws, but without regard to the conflict of law provisions, of the State of New York, but giving effect to federal laws applicable to national banks.

ENCORE CAPITAL GROUP, INC.,
as Borrower

By: _____
Name:
Title:

SCHEDULE OF TERM LOAN A-1 AND PAYMENTS OF PRINCIPAL
TO
TERM NOTE OF ENCORE CAPITAL GROUP, INC.

Date	Principal Amount of Term Loan A-1	Principal Amount Paid	Unpaid Balance

[EXHIBIT E-2]
[SCHEDULE I TO TERM NOTE A-1]

EXHIBIT F-1
FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For
U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of , 2012 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Encore Capital Group, Inc., and each lender from time to time party thereto and SunTrust Bank, as Administrative Agent.

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:
Date: , 20[ ]

EXHIBIT F-2
FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For
U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of , 2012 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Encore Capital Group, Inc., and each lender from time to time party thereto and SunTrust Bank, as Administrative Agent.

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:
Date: , 20[ ]

EXHIBIT F-3
FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For
U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of , 2012 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Encore Capital Group, Inc., and each lender from time to time party thereto and SunTrust Bank, as Administrative Agent.

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:
Date: , 20[ ]

EXHIBIT F-4
FORM OF **U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Partnerships For
U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of , 2012 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Encore Capital Group, Inc., and each lender from time to time party thereto and SunTrust Bank, as Administrative Agent.

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:
Date: , 20[ ]

EXHIBIT 2.3

FORM OF NOTICE OF REVOLVING BORROWING

[*Date*]

SunTrust Bank,
as Administrative Agent
for the Lenders referred to below
303 Peachtree Street, N.E.
Atlanta, Georgia 30308

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of [•] [•], 2012 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among Encore Capital Group, Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions and lenders from time to time party thereto (the "Lenders"), SunTrust Bank, in its capacity as administrative agent for the Lenders (the "Administrative Agent"), as collateral agent for the Secured Parties, as issuing bank and as swingline lender and the other agents and arrangers party thereto. Capitalized terms used herein but not defined herein shall have the meaning assigned to such terms in the Credit Agreement. This notice constitutes a Notice of Revolving Borrowing, and the Borrower hereby requests a Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to the Borrowing requested hereby[1]:

A. The aggregate amount of the proposed Borrowing is $ [2].

B. The Business Day of the proposed Borrowing is , 20 .

C. The Borrowing is to be comprised of **[Eurodollar]/[Base Rate]**[3] Loans.

D. **[The duration of the Interest Period for the Eurodollar Loans included in the Borrowing shall be [•] month[s].]**[4]

---

[1] Notice must be provided in writing (or by telephone promptly confirmed in writing) prior to 2:00pm Eastern Time (x) 1 Business Day prior to the date of any proposed Base Rate Borrowing or (y) 3 Business Days prior to the date of any proposed Eurodollar Borrowing.

[2] Not less than $250,000 or a larger multiple of $50,000 (or the remaining amount of the Aggregate Revolving Commitment amount, if less).

[3] Select one.

[4] Include Section D when requesting Eurodollar Loans only. May be 1, 2, 3, or 6 months and shall end no later than the Revolving Commitment Termination Date.

E. The proceeds of the proposed Borrowing shall be distributed to the Borrower in accordance with the following wiring instructions:

Bank Name: _____
ABA: _____
Acct Name: _____
Acct #: _____
Ref: _____
Attn: _____

The Borrower hereby represents and warrants that the conditions specified in paragraphs (a), (b), (c) and (d) of Section 3.2 of the Credit Agreement are satisfied.

Very truly yours,

ENCORE CAPITAL GROUP, INC.,
as Borrower

By: _____
Name:
Title:

[EXHIBIT 2.3]
[SIGNATURE PAGE TO NOTICE OF REVOLVING BORROWING]

EXHIBIT 2.4

FORM OF NOTICE OF SWINGLINE BORROWING

[*Date*]

SunTrust Bank,
as Administrative Agent
for the Lenders referred to below
303 Peachtree Street, N.E.
Atlanta, Georgia 30308

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of [•] [•], 2012 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among Encore Capital Group, Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions and lenders from time to time party thereto (the "Lenders"), SunTrust Bank, in its capacity as administrative agent for the Lenders (the "Administrative Agent"), as collateral agent for the Secured Parties, as issuing bank and as swingline lender and the other agents and arrangers party thereto. Capitalized terms used herein but not defined herein shall have the meaning assigned to such terms in the Credit Agreement. This notice constitutes a Notice of Swingline Borrowing, and the Borrower hereby requests a Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to the Borrowing requested hereby:[1]

A. The aggregate amount of the proposed Borrowing is $ [2].

B. The Business Day of the proposed Borrowing is , 20 .

C. The proceeds of the proposed Borrowing shall be distributed in accordance with the following wiring instructions:

Bank Name: _____
ABA: _____
Acct Name: _____
Acct #: _____
Ref: _____
Attn: _____

[1] Notice must be provided in writing (or by telephone promptly confirmed in writing) prior to 10:00am Eastern Time on the date of the proposed Borrowing.

[2] Not less than $100,000 or a larger multiple of $50,000 (or the remaining amount of the Aggregate Revolving Commitment amount, if less).

The Borrower hereby represents and warrants that the conditions specified in paragraphs (a), (b), (c) and (d) of Section 3.2 of the Credit Agreement are satisfied.

Very truly yours,

ENCORE CAPITAL GROUP, INC.,
as Borrower

By: _____
Name:
Title:

[EXHIBIT 2.4]
[SIGNATURE PAGE TO NOTICE OF SWINGLINE BORROWING]

EXHIBIT 2.7

FORM OF NOTICE OF CONTINUATION/CONVERSION

[*Date*]

SunTrust Bank,
as Administrative Agent
for the Lenders referred to below
303 Peachtree Street, N.E.
Atlanta, Georgia 30308

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of [•] [•], 2012 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among Encore Capital Group, Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions and lenders from time to time party thereto (the "Lenders"), SunTrust Bank, in its capacity as administrative agent for the Lenders (the "Administrative Agent"), as collateral agent for the Secured Parties, as issuing bank and as swingline lender. Capitalized terms used herein but not defined herein shall have the meaning assigned to such terms in the Credit Agreement. This notice constitutes a Notice of Continuation/Conversion and the Borrower hereby requests the continuation or conversion of a Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to the Borrowing to be converted or continued as requested hereby:[1]

A. The Business Day on which the **[conversion]/[continuation]** is to be effective is , 2012.

B. The aggregate amount of the Loans to be **[converted]/[continued]** is $.[2]

C. The Loans are to be **[converted into]/[continued as] [Eurodollar]/[Base Rate]** Loans.

D. [The duration of the Interest Period for the Loans included in the [continuation]/[conversion] shall be months.][3]

[1] Notice must be provided in writing (or by telephone promptly confirmed in writing) (x) prior to 10:00am Eastern Time on the date that is 1 Business Day prior to the date of any proposed conversion into a Base Rate Loan and (y) prior to 11:00am Eastern Time on the date that is 3 Business Days prior to the date of any proposed conversion into or continuation of a Eurodollar Loan

[2] The principal amount of any resulting Borrowing must satisfy the minimum borrowing amount for Eurodollar Borrowings and Base Rate Borrowings, as applicable, as set forth in Section 2.3 of the Credit Agreement.

[3] Include Section D when requesting conversion into or continuation of Eurodollar Loans. May be 1, 2, 3, or 6 months and shall end no later than the Revolving Commitment Termination Date, the Term Loan A Maturity Date or the Term Loan A-1 Maturity Date, as applicable.

The Borrower hereby represents and warrants that the conditions specified in paragraphs (a), (c) and (d) of Section 3.2 of the Credit Agreement are satisfied.

Very truly yours,

ENCORE CAPITAL GROUP,
as Borrower

By: _____
Name:
Title:

[EXHIBIT 2.7]
[SIGNATURE PAGE TO NOTICE OF CONTINUATION/CONVERSION]

EXHIBIT 3.1(b)(vi)
FORM OF INTERCREDITOR AGREEMENT

See Attached.

EXHIBIT 3.1(b)(vii)

Form of [SECRETARY's][1] CERTIFICATE

OF

[entity name]

[ ] [ ], 20[ ]

This [**Secretary's**] Certificate is being executed and delivered pursuant to that certain Amended and Restated Credit Agreement, dated as of [**the date hereof**][2] (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Encore Capital Group, Inc., a Delaware corporation, as the borrower (the "Company"), the lenders from time to time party thereto (the "Lenders"), SunTrust Bank, as administrative agent, as collateral agent for the Secured Parties, as issuing bank and swingline lender. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The undersigned, [ ], the Chief **[Executive]/[Financial]** Officer of the Company, hereby certifies on behalf of the Company, in such capacity and not individually, as follows:

> [ ] is the duly elected and qualified [Secretary] of the Company and the signature set forth for such officer below is such officer's true and genuine signature,

and the undersigned, [ ], the **[Secretary]** of the Company certifies on behalf of the Company, in such capacity and not individually, as follows:

1. Attached hereto as Exhibit A is a correct and complete copy of the **[certificate of incorporation]/[articles of incorporation]/[articles of organization]/[certificate of formation]/[certificate of limited partnership]**[3] of the Company (the "**[Certificate]/[Articles]** of **[ ]**"), as certified by the Secretary of State of the State of **[ ]**. Such [**Certificate]/[Articles]** of **[ ] [has]/[have]** not been amended, repealed, modified or restated since the date of certification by the Secretary of State of the State of **[ ]**, and such [**Certificate]/[Articles]** of **[ ] [is]/[are**] in full force and effect on the date hereof.

2. Attached hereto as Exhibit B is a correct and complete copy of the [**by-laws]/[limited liability company agreement]/[operating agreement]/[limited partnership**

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[1] Include the appropriate officer title, preferably "Secretary's" or "Assistant Secretary's", but may also read "Officer's" or "Manager's", etc., as applicable.

[2] Use "the date hereof" for any certificate being delivered on the Closing Date. Reference the actual date of the Credit Agreement for any certificate delivered thereafter.

[3] Select the proper name for the relevant organizational document.

agreement][4] (including all amendments thereto) of the Company (the "Governing Document") as in effect at all times since the adoption thereof to and including the date hereof. Such Governing Document has not been amended, repealed, modified or restated since the adoption thereof to and including the date hereof, and such Governing Document is in full force and effect on the date hereof.

3. Attached hereto as Exhibit C is a correct and complete copy of the **[unanimous written consent]/[resolutions]**[5] (the "Authorizing Document") duly **[executed]/[adopted]** by the [**board of directors**]/[**board of managers]/[sole manager]/[general partner]**[6] of the Company authorizing the execution, delivery and performance of each Loan Document to be executed by the Company and the consummation of the transactions contemplated thereby. Such Authorizing Document has not in any way been amended, modified, revoked or rescinded and is in full force and effect on the date hereof.

4. Attached hereto as Exhibit D is a list of Responsible Officers who are now duly elected and qualified officers of the Company holding the offices indicated next to their respective names, and the signatures appearing opposite their respective names are the true and genuine signatures of such Responsible Officers, and each such Responsible Officer is duly authorized to execute, deliver and perform, on behalf of the Company, the Loan Documents to which the Company is a party and any exhibit, certificate or other document to be delivered by the Company pursuant to such Loan Documents.

5. Attached hereto as Exhibit E is a copy of the certificate of good standing of the Company, dated as of **[ ]** and certified by the Secretary of State of the State of **[ ].**

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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[4] Select the proper name for the relevant governing document.
[5] Select the proper name for the relevant authorizing document.
[6] Select the name of the appropriate governing body.

IN WITNESS WHEREOF, the undersigned have executed this **[Secretary's]** Certificate to be effective as of the date first above written.

ENTITY NAME(S)

By: _____
Name:
Title: Chief [**Executive**]/[**Financial**] Officer

By: _____
Name:
Title: [**Secretary**]

EXHIBIT 3.1(B)(V)
[SIGNATURE PAGE TO [**ENTITY NAME**] **[SECRETARY'S]** CERTIFICATE]

EXHIBIT A

[CERTIFICATE]/[ARTICLES OF [_____]

See attached.

EXHIBIT 3.1(B)(V)
[EXHIBIT A TO **[SECRETARY'S]** CERTIFICATE]

EXHIBIT B

GOVERNING DOCUMENT

See attached.

EXHIBIT 3.1(B)(V)
[EXHIBIT B TO **[SECRETARY'S]** CERTIFICATE]

EXHIBIT C

AUTHORIZING DOCUMENT

See attached.

EXHIBIT 3.1(B)(V)
[EXHIBIT C TO **[SECRETARY'S]** CERTIFICATE]

EXHIBIT D

INCUMBENCY

NAME	OFFICE	SIGNATURE
[ ]	[ ]	_____
[ ]	[ ]	_____
[ ]	[ ]	_____
[ ]	[ ]	_____

EXHIBIT 3.1(B)(V)
[EXHIBIT D - INCUMBENCY – [**ENTITY NAME**]]

EXHIBIT E

CERTIFICATE OF GOOD STANDING

See attached.

EXHIBIT 3.1(B)(V)
[EXHIBIT E TO **[SECRETARY'S]** CERTIFICATE]

EXHIBIT 3.1(b)(x)

FORM OF OFFICER'S CERTIFICATE

November [•], 2012

This Officer's Certificate is being executed and delivered pursuant to Section 3.1(b)(x) of that certain Amended and Restated Credit Agreement, dated as of the date hereof (the "Credit Agreement"), by and among Encore Capital Group, Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions and lenders from time to time party thereto (the "Lenders"), SunTrust Bank, in its capacity as administrative agent for the Lenders, as collateral agent for the Secured Parties, as issuing bank and as swingline lender. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The undersigned, a Responsible Officer of the Borrower, in such capacity and not individually, hereby certifies on behalf of the Borrower the following:

(a) after giving effect to the funding of any initial Loan or initial issuance of a Letter of Credit (x) no Default or Event of Default exists, (y) all representations and warranties of each Loan Party set forth in the Loan Documents are true and correct and (z) since the date of the financial statements of the Borrower described in Section 4.4 of the Credit Agreement, there has been no change which has had or could reasonably be expected to have a Material Adverse Effect;

(b) no litigation, investigation or proceeding of or before any arbitrators or Governmental Authorities is pending against or, to the knowledge of the Borrower, threatened against the Borrower or any of its Subsidiaries that (y) purports to enjoin or restrain any Lender from making a Credit Extension under the Credit Agreement or (z) could reasonably be expected to have a Material Adverse Effect;

(c) attached hereto as Exhibit A are true and correct copies of all consents, approvals, authorizations, registrations and filings and orders required or advisable to be made or obtained under any Requirement of Law, or by any contractual obligation of each Loan Party, in connection with the execution, delivery, performance, validity and enforceability of the Loan Documents or any of the transactions contemplated thereby, and such consents, approvals, authorizations, registrations, filings and orders are in full force and effect and all applicable waiting periods have expired, and no investigation or inquiry by any Governmental Authority regarding the Credit Agreement or any transaction being financed with the proceeds thereof are ongoing; and

(d) attached hereto as Exhibit B are true and correct copies of all agreements, indentures or notes governing the terms of any Material Indebtedness and all other material agreements, documents and instruments to which any Loan Party or any of its assets are bound.

[*Signature page follows*]

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate to be effective as of the date first written above.

ENCORE CAPITAL GROUP, INC.

By: _____
Name:
Title:

EXHIBIT 3.1(B)(VIII)
[SIGNATURE PAGE TO CLOSING DATE OFFICER'S CERTIFICATE]

EXHIBIT A

[See attached.]/[None.]

EXHIBIT 3.1(B)(VIII)
[EXHIBIT A TO CLOSING DATE OFFICER'S CERTIFICATE]

EXHIBIT B

[See attached.]/[None.]

EXHIBIT 3.1(B)(VIII)
[EXHIBIT B TO CLOSING DATE OFFICER'S CERTIFICATE]

EXHIBIT 5.1(c)

FORM OF COMPLIANCE CERTIFICATE

To: The Lenders under the
Credit Agreement described below

This Compliance Certificate is furnished pursuant to that certain Amended and Restated Credit Agreement, dated as of , 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Encore Capital Group, Inc., a Delaware corporation, as the Borrower (the "Borrower"), the several banks and other financial institutions and lenders party thereto from time to time, SunTrust Bank, as administrative agent for the Lenders, as collateral agent for the Secured Parties, as issuing bank, and as swingline lender. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected of the Borrower;[1]

2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period ending on , 20 and covered by the attached financial statements;

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below;

4. All of the representations and warranties of each Loan Party set forth in the Loan Documents are true and correct as of the date hereof except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty was true and correct on and as of such earlier date; and

5. Schedule I attached hereto sets forth financial data and computations evidencing the Borrower's compliance with certain covenants of the Credit Agreement, all of which data and computations are true, complete and correct.

[1] Per Section 5.1(c) of the Credit Agreement, this certificate is to be completed and executed by the chief financial officer or treasurer.

Described below are the exceptions, if any, to paragraph 3 above by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this day of , 20 .

ENCORE CAPITAL GROUP, INC.,
as Borrower

By: _____
Name:
Title:

[EXHIBIT 5.1(c)-3]
[SIGNATURE PAGE TO COMPLIANCE CERTIFICATE]

SCHEDULE I TO COMPLIANCE CERTIFICATE

Compliance as of , (the "Compliance Date") with Sections 6.1, 6.2, 6.3 and certain other Sections of the Credit Agreement

I. FINANCIAL COVENANTS

A. CASH FLOW LEVERAGE RATIO (Section 6.1)

(1)	Consolidated Funded Indebtedness		$
(2)	Consolidated EBITDA		
	(a) Consolidated Net Income	+	$
	(b) Amortized Collections	+	$
	(c) Consolidated Interest Expense	+	$
	(d) Expense for taxes paid or accrued	+	$
	(e) Depreciation	+	$
	(f) Amortization	+	$
	(g) Any extraordinary losses	+	$
	(h) Non-Cash Charges from Compensation Expense	+	$
	(i) Interest income	–	$
	(j) Extraordinary gains	–	$
	(k) Income of any JV Entity, joint venture, minority investment or similar entity	–	$
	(l) Income of any Subsidiary to the extent that declaration or payment of a dividend is not permitted by such Subsidiary's charter document or other agreement at that time	–	$
	(m) Consolidated EBITDA (Sum of A(2)(a) through A(2)(l))	=	$
(3)	Cash Flow Leverage Ratio (Ratio of A(1) to A(2)(n))		to 1.00

(4)	Maximum Cash Flow Leverage Ratio for each fiscal four-quarter period			2.00 to 1.00
B.	MINIMUM NET WORTH (Section 6.2)			
(1)	Minimum Net Worth			
	(a)	Base Level	+	$166,506,500
	(b)	Increase in "Total Stockholders' Equity"	+	$
	(c)	50% of Consolidated Net Income	+	$
	(d)	Repurchase amounts	–	$
	(e)	Total (Sum of B(1)(a) to B(1)(d)):		$
(2)	Consolidated Net Worth (Minimum: Line B(1)(e))			$
C.	INTEREST COVERAGE RATIO (Section 6.3)			
(1)	Consolidated EBIT			
	(a)	Consolidated Net Income		$
	(b)	Consolidated Interest Expense	+	$
	(c)	Expense for taxes paid or accrued	+	$
	(d)	Any extraordinary losses	+	$
	(e)	Interest income	–	$
	(f)	Extraordinary gains	–	$
	(g)	Income of any JV Entity, joint venture, minority investment or similar entity	–	$
	(h)	Income of any Subsidiary to the extent that declaration or payment of a dividend is not permitted by such Subsidiary's charter document or other agreement at that time	–	$
	(i)	Consolidated EBIT (Sum of C(l)(a) through C(1)(h))	=	$
(2)	Consolidated Interest Expense			$
(3)	Interest Coverage Ratio (Ratio of C(1) to C(2))			to 1.00

(4) MinimumInterest Coverage Ratio for each fiscal four-quarter period 2.00 to 1.00

II. OTHER MISCELLANEOUS PROVISIONS

A. INDEBTEDNESS (Section 7.1)

(1) Aggregate outstanding principal amount of Indebtedness (including Capitalized Leases) incurred in connection with purchase money security interests together with any additional unsecured Indebtedness incurred pursuant to Section 7.1(i). $
[Maximum: $20,000,000]

B. SALE OF ASSETS (Section 7.6)

(1) Statewhether any asset sales (other than asset sales permitted pursuant to Sections 7.6) have occurred. Yes/No

C. RENTALS (Section 7.14)

(1) The aggregate amount of obligations resulting from Rentals during the most recent fiscal year on a consolidated basis for the Borrower and its Subsidiaries.
[Maximum: $ 15,000,000] $

D. CAPITAL EXPENDITURES (Section 7.16)

(1) The Capital Expenditures incurred during the previous fiscal year in the aggregate for the Borrower and its Subsidiaries
[Maximum: $20,000,000] $

[EXHIBIT 5.1(c)-6]
[SCHEDULE I TO COMPLIANCE CERTIFICATE]

Exhibit 10.3

ENCORE CAPITAL GROUP, INC.

$50,000,000
7.75% Senior Secured Notes due September 17, 2017

$25,000,000
7.375% Senior Secured Notes due February 10, 2018

SECOND AMENDED AND RESTATED SENIOR SECURED NOTE PURCHASE AGREEMENT

May 9, 2013

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ENCORE CAPITAL GROUP, INC.
8875 Aero Drive, Suite 200
San Diego, CA 92123

May 9, 2013

The Prudential Insurance Company of America
Pruco Life Insurance Company
Prudential Retirement Insurance and Annuity Company
Prudential Annuities Life Assurance Corporation
c/o Prudential Capital Group
2029 Century Park East, Suite 710
Los Angeles, CA 90067

Ladies and Gentlemen:

Encore Capital Group, Inc., a corporation organized and existing under the laws of the State of Delaware (the "**Company**"), agrees with each of the purchasers whose names appear at the end hereof (each, a "**Purchaser**" and, collectively, the "**Purchasers**") as follows:

1. Amendment and Restatement; Issuance of 2010 Notes and 2011 Notes.

1A Amendment and Restatement. This Agreement amends, restates and replaces in its entirety that certain Amended and Restated Senior Secured Note Purchase Agreement, dated as of February 10, 2011 (the "**Prior Agreement**"), by and between the Company, on the one hand, and the Purchasers, on the other hand.

1B Issuance of 2010 Notes. Pursuant to the terms of the Original Agreement, the Company has issued and sold to the 2010 Notes Purchasers $50,000,000 aggregate original principal amount of its 7.75% Senior Secured Notes due September 17, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "**2010 Notes**", such term to include any such notes issued in substitution therefor pursuant to Section 13). The 2010 Notes are substantially in the form set out in Exhibit A-1.

1C Authorization of 2011 Notes. Pursuant to the terms of the Prior Agreement, the Company has issued and sold to the 2011 Notes Purchasers $25,000,000 aggregate original principal amount of its 7.375% Senior Secured Notes due February 10, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "**2011 Notes**", such term to include any such notes issued in substitution therefor pursuant to Section 13). The 2011 Notes are substantially in the form set out in Exhibit A-2.

The 2010 Notes and the 2011 Notes are collectively referred to herein as the "**Notes**". Notes that have (i) the same final maturity, (ii) the same principal prepayment dates, (iii) the same principal prepayment amounts (as a percentage of the original principal amount of each Note), (iv) the same interest rate, (v) the same interest payment periods, and (vi) the same date of issuance (which, in the case of a Note issued in exchange for another Note, shall be deemed for these purposes the date on which such Note's ultimate predecessor Note was issued), are herein

called a "**Series**" of Notes. Certain capitalized and other terms used in this Agreement are defined in Schedule B; and references to a "Section", "Schedule" or an "Exhibit" are, unless otherwise specified, to a Section, Schedule or an Exhibit attached to this Agreement.

2. [Intentionally Omitted].

3. Limited Waiver. Midland Credit Management, Inc., a Credit Party, has acquired two Immaterial Subsidiaries previously identified to the holders of the Notes (each, a "**New Subsidiary**" and collectively, the "**New Subsidiaries**") and, in each case, has not been able to complete the requirements of Sections 9.7 and 9.8 of the Prior Agreement regarding the delivery of such collateral documents as are required by such provisions, resulting in Events of Default (collectively, the "**Specified Events of Default**").

Subject to the terms and conditions set forth herein and in reliance on the representations and warranties of the Credit Parties made in the Transaction Documents to which they are a party, the holders of the Notes hereby (i) waive the Specified Events of Default and (ii) consent to the delivery of the relevant collateral documents with respect to each New Subsidiary on or before the date that is forty-five (45) days following the Closing Date (which time period may be extended by the Collateral Agent in its reasonable discretion).

The waiver set forth in this Section 3 is a one time waiver and is limited to the extent specifically set forth above and no other terms, covenants or provisions of this Agreement or any other Transaction Document are intended to be affected hereby, all of which remain in full force and effect. The Credit Parties acknowledge and agree that the waiver contained above in this Section 3 shall not waive (or be deemed to be or constitute a waiver of) any other covenant, term or provision in this Agreement or any other Transaction Document or hinder, restrict or otherwise modify the rights and remedies of the holders of the Notes following the occurrence of any other present or future Default or Event of Default (whether or not related to the Specified Events of Default) under this Agreement or any other Transaction Document.

4. Conditions to Effectiveness. The effectiveness of each of (a) the limited waiver provided in Section 3 and (b) the amendment and restatement of the Prior Agreement provided hereby is subject to the fulfillment to the Purchasers' satisfaction of the following conditions:

4A Other Documents. Such Purchaser shall have received the following documents, each duly executed and delivered by the party or parties thereto and in form and substance satisfactory to such Purchaser:

(a) an amendment or amendment and restatement of the Credit Agreement, dated as of the date hereof, which amendment or amendment and restatement shall have become effective simultaneously or prior to the effectiveness of the amendment and restatement of the Prior Agreement provided hereby;

(b) an Officer's Certificate from the Company certifying that, as of the date hereof, both immediately before and immediately after giving effect to the effectiveness of this Agreement, the conditions specified in Sections 4C and 4D have been fulfilled; and

(c) such additional documents or certificates with respect to legal matters or corporate or other proceedings related to the transactions contemplated hereby as may be reasonably requested by such Purchaser.

4B Payment of Amendment Fee, Special Counsel Fees. The Company shall have paid to the holders of Notes by wire transfer of immediately available funds their ratable share of an amendment fee in the aggregate amount of $10,000. In addition, and without limiting the provisions of Section 15.1, the Company shall have paid on or before the date hereof the reasonable fees, charges and disbursements of Vedder Price P.C., special counsel to the Purchasers to the extent reflected in a statement of such counsel rendered to the Company at least two Business Days prior to the date hereof.

4C Performance; No Default. No Default or Event of Default shall have occurred and be continuing.

4D Representations and Warranties. The representations and warranties of the Credit Parties in the Transaction Documents to which they are a party shall be correct.

5. Representation and Warranties of the Company. The Company represents and warrants to each Purchaser that:

5.1 Existence and Standing. Each of the Company and its Restricted Subsidiaries is a corporation, partnership (in the case of Subsidiaries only) or limited liability company duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

5.2 Authorization and Validity. The Company has the power and authority and legal right to execute and deliver the Transaction Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by the Company of the Transaction Documents to which it is a party and the performance of its obligations thereunder have been duly authorized by proper proceedings, and the Transaction Documents to which the Company is a party constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyances, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), and (iii) requirements of reasonableness, good faith and fair dealing.

5.3 No Conflict; Government Consent. Neither the execution and delivery by the Company or its Restricted Subsidiaries, as applicable, of the Transaction Documents to which such Person is a party, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Company or any of its Restricted Subsidiaries, or (ii) the Company's or any Restricted Subsidiary's articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of

organization, bylaws, or operating agreement or other management agreement, as the case may be, or (iii) the provisions of any indenture, instrument or agreement to which the Company or any of its Restricted Subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with, or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Company or a Restricted Subsidiary pursuant to the terms of, any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Company or any of its Restricted Subsidiaries, is required to be obtained by the Company or any of its Restricted Subsidiaries in connection with the execution and delivery of the Transaction Documents by the Company or any of the other Credit Parties, the borrowings under this Agreement, the payment and performance by the Company of the obligations evidenced by the Notes or under the other Transaction Documents or the legality, validity, binding effect or enforceability of any of the Transaction Documents.

5.4 Financial Statements. The December 31, 2012 and December 31, 2011 audited consolidated financial statements of the Company and its Subsidiaries heretofore delivered to the Purchasers were prepared in accordance with generally accepted accounting principles in effect on the date such statements were prepared and fairly present the consolidated financial condition and operations of the Company and its Subsidiaries at such date and the consolidated results of their operations for the period then ended.

5.5 Material Adverse Change. Since December 31, 2012, there has been no change in the business, Property, prospects, condition (financial or otherwise) or results of operations of the Company, any Guarantor, or the Company and its Restricted Subsidiaries taken together, in each case which could reasonably be expected to have a Material Adverse Effect.

5.6 Taxes. Except as disclosed on Schedule 5.6, the Company and its Restricted Subsidiaries have filed all United States federal tax returns and all other tax returns which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Company or any of its Restricted Subsidiaries, except in respect of such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with Agreement Accounting Principles and as to which no Lien exists (except as permitted by Section 10.6.2). Except as disclosed on Schedule 5.6, the United States income tax returns of the Company and its Restricted Subsidiaries have not been audited by the Internal Revenue Service. No Liens have been filed and no claims are being asserted with respect to such taxes. The charges, accruals and reserves on the books of the Company and its Restricted Subsidiaries in respect of any taxes or other governmental charges are adequate.

5.7 Litigation and Contingent Obligations. There is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Company or any of its Restricted Subsidiaries which could reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the issue, sale or purchase of the Notes. Other than liabilities incident to any litigation, arbitration or proceeding which could not reasonably be expected to be in an aggregate amount in excess of $3,000,000, none of the Company or its Restricted Subsidiaries has any material contingent obligations not provided for or disclosed in the financial statements referred to in Section 5.4.

5.8 Subsidiaries. As of the Closing Date, there are no Excluded Subsidiaries. All of the issued and outstanding shares of capital stock or other ownership interests of the Restricted Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable.

5.9 Compliance with ERISA.

(a) The Company, each Subsidiary and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. Neither the Company, any Subsidiary nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by the Company, any Subsidiary or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company, any Subsidiary or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or pursuant to section 4068 of ERISA or the Pension Funding Rules, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans subject to Title IV of ERISA (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in section 3 of ERISA. Following the effective date of the Pension Act, for any Plan which is subject to the Pension Funding Rules, the funding target attainment percentage, within the meaning of section 303 of ERISA or section 430 of the Code, for such Plan is not less than 100%.

(c) The Company, its Subsidiaries and their respective ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Accounting Standards Codification Section 715-60, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

5.10 Accuracy of Information. No Transaction Document or written statement furnished by the Company or any of its Restricted Subsidiaries to PIM or any Purchaser in connection with the negotiation of, or compliance with, the Transaction Documents contained, on the date such Transaction Document was entered into or such statements were made, any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading in their presentation of the Company, its Restricted Subsidiaries, their businesses and their Property. The Company makes no representation or warranty concerning the forecasts, estimates, pro forma information, projections and statements as to anticipated future performance or conditions, and the assumptions on which they were based, except that as of the date made (i) such forecasts, estimates, pro forma information, projections and statements were based on good faith assumptions of the management of the Company, and (ii) such assumptions were believed by such management to be reasonable; it being understood and agreed that such forecasts, estimates, pro forma information, projections and statements, and the assumptions on which they are based, may or may not prove to be correct. In addition, the information provided by or on behalf of the Credit Parties with respect to the Receivables owned or to be acquired by the Credit Parties (or the related purchase agreements) is, to the Company's knowledge and as of the date provided, true and correct in all material respects and, to the Company's knowledge, does not contain any material omissions which would cause such information to be materially misleading with respect to such Receivables, taken as a whole.

5.11 Regulation U. Neither the Company nor any of its Restricted Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate of buying or carrying margin stock (as defined in Regulation U).

5.12 Material Agreements. Except as described in Schedule 5.12, neither the Company nor any Restricted Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate or similar restriction which could reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Restricted Subsidiary is in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any (i) agreement or instrument to which it is a party, which default could reasonably be expected to have a Material Adverse Effect, or (ii) any agreement or instrument evidencing or governing Indebtedness for borrowed money.

5.13 Compliance with Laws. The Company and its Restricted Subsidiaries have complied in all material respects with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property.

5.14 Ownership of Properties. The Company and its Restricted Subsidiaries have good title, free of all Liens other than those permitted by Section 10.6, to all of the Property and assets reflected in the Company's most recent consolidated financial statements provided to PIM or the Purchasers, as owned by the Company and its Restricted Subsidiaries, except for minor irregularities in title with respect to Receivables that do not materially interfere with the business or operations of the Company or its Restricted Subsidiaries as presently conducted.

5.15 [Intentionally Omitted].

5.16 Environmental Matters. Given the nature of its business, the Company has concluded that Environmental Laws cannot reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Restricted Subsidiary has received any notice to the effect that its operations are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

5.17 Investment Company Act. Neither the Company nor any Restricted Subsidiary is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.18 Insurance. The Company maintains, and has caused each Restricted Subsidiary to maintain, with financially sound and reputable insurance companies insurance on their Property as necessary to conduct their business in such amounts, subject to such deductibles and self-insurance retentions and covering such properties and risks as is consistent with sound business practice.

5.19 No Default or Event of Default. No Default or Event of Default has occurred and is continuing.

5.20 Foreign Assets Control Regulations, etc.

(a) Neither the Company nor any Affiliated Entity (i) is a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control of the U.S. Department of Treasury ("**OFAC**") (an "**OFAC Listed Person**"), (ii) knowingly engages in any dealings or transactions with any such OFAC Listed Person, or (iii) is a department, agency or instrumentality of, or is otherwise controlled by or acting on behalf of, directly or indirectly, (A) any OFAC Listed Person or (B) the government of a country subject to comprehensive U.S. economic sanctions administered by OFAC, currently Iran, Sudan, Cuba, Burma, Syria and North Korea (each OFAC Listed Person and each other entity described in clause (iii), a "**Blocked Person**").

(b) No part of the proceeds from the sale of the 2011 Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used, directly by the Company or indirectly through any Affiliated Entity, in connection with any investment in, or any transactions or dealings with, any Blocked Person.

(c) Neither the Company nor any Affiliated Entity (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under any applicable law (collectively, "**Anti-Money Laundering Laws**"), (ii) has been assessed civil penalties under any Anti-Money

Laundering Laws, or (iii) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Company has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law), to ensure that the Company and each Affiliated Entity is and will continue to be in compliance with all applicable current and future Anti-Money Laundering Laws.

(d) No part of the proceeds from the sale of the 2011 Notes hereunder will be used, directly or indirectly, for any improper payments to any governmental official or employee, political party, official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage in violation of the United States Foreign Corrupt Practices Act of 1977, as amended. The Company has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law), to ensure that the Company and each Affiliated Entity is and will continue to be in compliance with all applicable current and future anti-corruption laws and regulations.

5.21 Hostile Tender Offers. None of the proceeds of the sale of any 2011 Notes were used to finance a Hostile Tender Offer.

5.22 Solvency.

(a) Assets Greater than Liabilities. The fair value of the business and assets of each of the Company and the Subsidiaries exceeded, as of, and immediately after giving effect to the transactions consummated at the Closing (as defined in the Prior Agreement), the liabilities of such Person, as of such time.

(b) Meeting Liabilities. Immediately after giving effect to the transactions consummated at the Closing (as defined in the Prior Agreement), neither the Company nor any Subsidiary:

(i) was engaged in any business or transaction, or about to engage in any business or transaction, for which its assets would constitute unreasonably small capital (within the meaning of the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act and section 548 of the Bankruptcy Code as enacted by the United States of America or any state thereof, as the case may be); or

(ii) was unable to pay its debts as such debts mature in the ordinary course.

(c) Intent. Neither the Company nor any Subsidiary is entered into any Transaction Document (as defined in the Prior Agreement) with any intent to hinder, delay, or defraud either current creditors or future creditors of the Company or any Subsidiary.

6. [Intentionally Omitted].

7. Information as to Company. The Company covenants that so long as any Notes remain outstanding:

7.1 Financial and Business Information. The Company will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to each holder of Notes that is an Institutional Investor:

7.1.1 Within 90 days after the close of each of its fiscal years, financial statements prepared in accordance with Agreement Accounting Principles on a consolidated basis for itself and its Subsidiaries, including in each case balance sheets as of the end of such period, statements of income and statements of cash flows, accompanied by (a) in the case of such statements of the Company and its Subsidiaries, an audit report, unqualified as to scope, of BDO USA LLP or another nationally recognized firm of independent public accountants or other independent public accountants reasonably acceptable to the Required Holders (provided that so long as the Company is a reporting company, filing of the Form 10-K by the Company with respect to a fiscal year within such 90-day period on the website of the Securities and Exchange Commission at http://www.sec.gov shall satisfy the requirement for the annual audit report and consolidated financial statements for such fiscal year under this Section 7.1.1 with respect to the statements of the Company and all of its Subsidiaries) and (b) any management letter prepared by said accountants.

7.1.2 Within 45 days after the close of the first three quarterly periods of each of its fiscal years, for itself and its Subsidiaries, consolidated unaudited balance sheets as at the close of each such period and consolidated statements of income and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified as to fairness of presentation, compliance with Agreement Accounting Principles and consistency by its chief financial officer, treasurer or assistant treasurer (provided that so long as the Company is a reporting company, filing of the Form 10-Q by the Company with respect to a fiscal quarter within such 45-day period on the website of the Securities and Exchange Commission at http://www.sec.gov shall satisfy the requirement for certified quarterly consolidated financial statements for such fiscal quarter under this Section 7.1.2 with respect to the statements of the Company and all of its Subsidiaries).

7.1.3 Simultaneously with the delivery or filing of each set of consolidated financial statements referred to in Sections 7.1.1 and 7.1.2 above, the related consolidating financial statements of the Company and its Restricted Subsidiaries reflecting all adjustments necessary to eliminate the results of operations, cash flows, accounts and other assets and Indebtedness or other liabilities of Unrestricted Subsidiaries (if any) from such consolidated financial statements.

7.1.4 On the same day as the delivery or filing of the financial statements required under Sections 7.1.1, 7.1.2 and 7.1.3, a compliance certificate signed by its chief financial officer, treasurer or assistant treasurer showing: (i) the calculations necessary to determine compliance with Sections 10.1, 10.3, 10.4, 10.5,

10.12, 10.13, 10.14, 10.15, 10.17 and 10.19, an Officer's Certificate stating that no Default or Event of Default exists, or if any Default or Event of Default exists, stating the nature and status thereof, and a certificate executed and delivered by the chief executive officer or chief financial officer stating that the Company and each of its principal officers are in compliance with all requirements of Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 and all rules and regulations related thereto (provided that so long as the Company is a reporting company, inclusion of the certificates required pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002 in the Form 10-K or Form 10-Q filed by the Company pursuant to Sections 7.1.1 or 7.1.2 shall satisfy the requirement for such certification of compliance with the Sarbanes-Oxley Act under this Section 7.1.4); and (ii) a list setting forth the names of each of the Unrestricted Subsidiaries (if any) as of the last day of the applicable reporting period and of any new Subsidiary (whether a Restricted Subsidiary or and Unrestricted Subsidiary) formed or acquired during such reporting period.

7.1.5 [Intentionally Omitted]

7.1.6 As soon as possible and in any event within 10 days after the Company knows that any Reportable Event has occurred with respect to any Plan, a statement, signed by the chief financial officer, treasurer or assistant treasurer of the Company, describing said Reportable Event and the action which the Company proposes to take with respect thereto.

7.1.7 As soon as possible and in any event within 10 days after receipt by the Company thereof, a copy of (a) any notice or claim to the effect that the Company or any of its Restricted Subsidiaries is or may be liable to any Person as a result of the release by the Company, any of its Restricted Subsidiaries, or any other Person of any toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by the Company or any of its Restricted Subsidiaries, which, in either case, could reasonably be expected to have a Material Adverse Effect.

7.1.8 Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which the Company or any of its Restricted Subsidiaries files with the SEC, including, without limitation, all certifications and other filings required by Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 and all rules and regulations related thereto.

7.1.9 As soon as practicable, and in any event within 90 days after the beginning of each fiscal year of the Company, a copy of the plan and forecast (including a projected consolidated balance sheet, income statement and funds flow statement) of the Company for such fiscal year.

7.1.10 As soon as possible, and in any event within 3 Business Days (in the case of the Company) and 15 days (in the case of any Guarantor) after the occurrence thereof, a reasonably detailed notification to each holder of Notes and its counsel of any change in the jurisdiction of organization of the Company or any Guarantor.

7.1.11 As soon as practicable, and in any event within thirty (30) days after the close of each calendar month, the Company shall provide the holders of Notes with a Borrowing Base Certificate (containing a certification by an Authorized Officer that the Receivables Portfolios included in the Borrowing Base referenced in such Borrowing Base Certificate are performing, in the aggregate, at a sufficient level to support the amount of such Borrowing Base), together with such supporting documents (including without limitation (i) to the extent requested by the Required Holders, copies of all bills of sale and purchase agreements evidencing the acquisition of Receivables Portfolios included in the Borrowing Base, and (ii) a copy of the most recent static pool report with respect to such Receivables Portfolios as the Required Holders reasonably deem desirable, all certified as being true and correct in all material respects by an Authorized Officer of the Company). The Company may update the Borrowing Base Certificate more frequently than monthly and the most recently delivered Borrowing Base Certificate shall be the applicable Borrowing Base Certificate for purposes of determining the Borrowing Base at any time.

7.1.12 Such other information (including non-financial information, and including the audit report with respect to the following reports and evaluations (but not the reports or evaluations themselves): the Commercial Finance Examination Reports and evaluations of the Bureau Enhanced Behavioral Liquidations Score and the Unified Collections Score) as any holder of Notes may from time to time reasonably request.

If any information which is required to be furnished under this Section 7.1 is required by law or regulation to be filed by the Company with a government body on an earlier date, then the information required hereunder shall be furnished by no later than 5 Business Days after such earlier date.

7.2 Notices of Default, MAE Events. Within three (3) Business Days after an Authorized Officer becomes aware thereof, the Company will, and will cause each Restricted Subsidiary to, give notice in writing to the holders of Notes of the occurrence of (i) any Default or Event of Default, and (ii) any other development, financial or otherwise, which (solely with respect to this clause (ii)) could reasonably be expected to have a Material Adverse Effect.

7.3 Inspection; Keeping of Books and Records. The Company will, and will cause each Restricted Subsidiary to, permit the holders of Notes, by their respective representatives and agents (at reasonable times and upon reasonable advance written notice, so long as no Default or Event of Default has occurred and is continuing) to inspect (including without limitation to conduct an annual field examination of) any of its Property, including, without limitation, an audit by professionals (including consultants and accountants) retained by the Required Holders of the Company's practices in the computation of the Borrowing Base, inspection and audit of the Collateral, books and financial records of the Company and each other Credit Party, to examine and make copies of the books of account and other financial records of the Company and each other Credit Party, and to discuss the affairs, finances and

accounts of the Company and each other Credit Party with, and to be advised as to the same by, their respective officers and their independent public accountants. The Company shall keep and maintain, and cause each of its Restricted Subsidiaries to keep and maintain, in all material respects, proper books of record and account in which entries in conformity with Agreement Accounting Principles shall be made of all dealings and transactions in relation to their respective businesses and activities. If an Event of Default has occurred and is continuing, the Company, upon the Required Holders' request, shall turn over copies of any such records to the Required Holders or their representatives. Without limiting the Company's obligations under Section 15, the Company shall pay the fees and expenses of the holders of the Notes and such professionals with respect to such examinations, audits and evaluations; provided, that the Required Holders shall undertake only one (1) field examination/audit during any period of twelve (12) consecutive months at the Company's expense. Notwithstanding the foregoing, in addition to the field examinations and audits described above, the Required Holders may have additional field examinations and audits done if an Event of Default shall have occurred and be continuing, at the Company's expense.

8. Payment and Prepayment of the Notes.

8.1 Required Prepayments.

(a) Scheduled Prepayments.

(i) **2010 Notes.** On December 17, 2012 and on each March 17, June 17, September 17 and December 17 thereafter to and including June 17, 2017 the Company will prepay $2,500,000 principal amount (or such lesser principal amount as shall then be outstanding) of the 2010 Notes at par and without payment of the Make-Whole Amount or any premium, provided that upon any partial prepayment of the 2010 Notes pursuant to Section 8.1(b), (c) or (d), Section 8.2 or Section 8.6, the principal amount of each required prepayment of the 2010 Notes becoming due under this Section 8.1(a)(i) on and after the date of such prepayment shall be reduced in the same proportion as the aggregate unpaid principal amount of the 2010 Notes is reduced as a result of such prepayment.

(ii) **2011 Notes.** On May 10, 2013 and on each August 10, November 10, February 10 and May 10 thereafter to and including November 10, 2017 the Company will prepay $1,250,000 principal amount (or such lesser principal amount as shall then be outstanding) of the 2011 Notes at par and without payment of the Make-Whole Amount or any premium, provided that upon any partial prepayment of the 2011 Notes pursuant to Section 8.1(b), (c) or (d), Section 8.2 or Section 8.6, the principal amount of each required prepayment of the 2011 Notes becoming due under this Section 8.1(a)(ii) on and after the date of such prepayment shall be reduced in the same proportion as the aggregate unpaid principal amount of the 2011 Notes is reduced as a result of such prepayment.

(b) Mandatory Credit Agreement Prepayments in Excess of $10,000,000. If the principal amount of any Mandatory Credit Agreement Prepayment, together with the principal amount of all other Mandatory Credit Agreement Prepayments made during the period of twelve consecutive months immediately preceding the required payment date for such Mandatory Credit Agreement Prepayment (but in each case only to the extent the same permanently reduce the aggregate lending commitments under the Credit Agreement), would exceed $10,000,000 in the aggregate, then the Company shall, concurrently with the making of such Mandatory Credit Agreement Prepayment, prepay the Notes in an amount equal to the Ratable Share of the amount of such excess (or such lesser principal amount as shall then be outstanding), applied ratably between the 2010 Notes and the 2011 Notes, at 100% of the principal amount so prepaid and the Make-Whole Amount determined for the prepayment date with respect to such principal amount.

(c) Asset Dispositions Mandatory Prepayments. Within 2 Business Days after the consummation of any sale or other disposition of Property (including the sale or other disposition of Receivables) by the Company or any Subsidiary if the aggregate fair market value of the consideration received by the Company or its Subsidiaries for such sale or other disposition, together with the aggregate fair market value of the consideration received by the Company or its Subsidiaries for all other such sales or other dispositions consummated during the period of twelve consecutive months immediately preceding the consummation of such sale or other disposition, exceeds $25,000,000, the Company shall deliver an Officer's Certificate to the holders of Notes (notifying the holders of Notes thereof and certifying the amount of Net Cash Proceeds received from such sales or other dispositions during such period). Unless within 5 Business Days after receipt of such Officer's Certificate the Required Holders shall have notified the Company of the Required Holders' election to forego prepayment, then on the date that is 7 Business Days after the date on which the Company shall have delivered such Officer's Certificate to the holders of Notes the Company shall prepay the 2010 Notes and the 2011 Notes in an amount equal to the Ratable Share of the amount of Net Cash Proceeds certified in such Officer's Certificate (or such lesser principal amount as shall then be outstanding), applied ratably between the 2010 Notes and the 2011 Notes, at 100% of the principal amount so prepaid and the Make-Whole Amount determined for the prepayment date with respect to such principal amount.

Notwithstanding the foregoing, (i) up to 100% of the Net Cash Proceeds of such sales or other dispositions with respect to which the Company shall have given the holders of Notes written notice (set forth in the applicable Officer's Certificate delivered pursuant to the first sentence of this Section 8.1(c)) of its intention to repair or replace the Property subject to any such sale or other disposition or invest such Net Cash Proceeds in the purchase of Property (other than securities, unless those securities represent equity interests in an entity that becomes a Guarantor or an Unrestricted Subsidiary permitted hereunder (and provided that if such Guarantor or Unrestricted Subsidiary is a newly formed Person, such Person shall promptly use the portion of the Net Cash Proceeds received by it for the sale of its equity interests in order to purchase Property to be used by it in its business)) to be used by one or more of the Company or the Guarantors in their businesses (such repair, replacement or investment referred to as a "**Reinvestment**") within six months following such sale or other disposition, shall not be subject

to the provisions of the first two sentences of this Section 8.1(c) unless and to the extent that such applicable period shall have expired without such repair, replacement or investment having been made, and (ii) only the Net Cash Proceeds from sales or other dispositions of Property (including the sale or other disposition of Receivables) with a fair market value of the consideration received therefor in excess of $25,000,000 (above and beyond the fair market value of the consideration of the dispositions of the Property with respect to which the Net Cash Proceeds shall have been subject to Reinvestment) shall be subject to the provisions of the first two sentences of this Section 8.1(c).

(d) Borrowing Base Mandatory Prepayments. If the amount equal to the Aggregate Outstanding Revolving Credit Exposure plus the aggregate principal amount outstanding in respect of the Notes exceeds the amount equal to the Borrowing Base plus the aggregate principal amount outstanding in respect of the Notes by more than $10,000,000 at any time, then the Company shall, no later than 2 Business Days after obtaining knowledge thereof, deliver an Officer's Certificate to the holders of Notes (notifying the holders of Notes thereof and certifying the amount of such excess, accompanied by a revised Borrowing Base Certificate). Unless within 5 Business Days after receipt of such Officer's Certificate the Required Holders shall have notified the Company of the Required Holders' election to forego prepayment, then on the date that is 7 Business Days after the date on which the Company shall have delivered such Officer's Certificate to the holders of Notes the Company shall prepay the Notes in an amount equal to the Ratable Share of the amount of such excess (or such lesser principal amount as shall then be outstanding), applied ratably between the 2010 Notes and the 2011 Notes, at 100% of the principal amount so prepaid and the Make-Whole Amount determined for the prepayment date with respect to such principal amount.

(e) No Duplication of Mandatory Prepayments. If any set of facts or circumstances would trigger a mandatory prepayment under two or more of Sections 8.1(b), (c) or (d), then no duplication of mandatory prepayments shall be required and instead only such provision as shall result in the largest mandatory prepayment shall be operative for such set of facts or circumstances.

(f) Permitted Unsecured Indebtedness Repayment Events. Within 2 Business Days after the occurrence of any Permitted Unsecured Indebtedness Repayment Event, the Company shall deliver an Officer's Certificate to the holders of Notes (notifying the holders of Notes thereof and identifying in reasonable detail the Indebtedness with respect to which such Permitted Unsecured Indebtedness Repayment Event has occurred and the status of current efforts to refinance such Indebtedness). Unless within 5 Business Days after receipt of such Officer's Certificate the Required Holders shall have notified the Company of the Required Holders' election to forego prepayment, then on the date that is 7 Business Days after the date on which the Company shall have delivered such Officer's Certificate to the holders of Notes the Company shall prepay the Notes in their entirety, at 100% of the principal amount so prepaid and the Make-Whole Amount determined for the prepayment date with respect to such principal amount.

8.2 Optional Prepayments with Make-Whole Amount. The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes of either Series (to the exclusion of the other Series), in an amount not less than $5,000,000 in the case of partial prepayment, at 100% of the principal amount so prepaid and the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 5 Business Days and not more than 60 days prior to the date (which shall be a Business Day) fixed for such prepayment. Each such notice shall specify such date, the Series of Notes to be prepaid, the aggregate principal amount of such Notes to be prepaid on such date, the principal amount of each Note of such Series held by such holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid. Prepayment of the Notes with a distribution made pursuant to the Intercreditor Agreement shall be made at 100% of the principal amount so prepaid and the Make-Whole Amount determined for the prepayment date with respect to such principal amount.

8.3 Allocation of Partial Prepayments. In the case of each partial prepayment of the Notes of each Series, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes of such Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.4 Maturity; Surrender, etc. In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.5 Purchase of Notes. The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes of any Series except (i) upon the payment or prepayment of the Notes of such Series in accordance with the terms of this Section 8 or Section 12.1, or (ii) pursuant to a written offer to purchase Notes of such Series made by the Company or an Affiliate pro rata to the holders of all Notes of such Series at the time outstanding upon the same terms and conditions. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement, and no Notes may be issued in substitution or exchange for any such Notes.

8.6 Change of Control.

(a) Notice of Change of Control or Notice Event. The Company will, within 5 Business Days after any Authorized Officer has knowledge of the occurrence of any Change of Control or Notice Event, give written notice of such Change of Control or

Notice Event to each holder of Notes unless notice in respect of such Change of Control (or the Change of Control contemplated by such Notice Event) shall have been given pursuant to Section 8.6(b). If a Change of Control has occurred, such notice shall contain and constitute an offer to prepay Notes as described in Section 8.6(c) and shall be accompanied by the certificate described in Section 8.6(g).

(b) Condition to Obligor Action. The Company will not take any action that consummates or finalizes a Change of Control unless (i) at least 30 days prior to such action it shall have given to each holder of Notes written notice containing and constituting an offer to prepay Notes as described in Section 8.6(c), accompanied by the certificate described in Section 8.6(g), and (ii) contemporaneously with such action, the Company prepays all Notes required to be prepaid in accordance with this Section 8.6.

(c) Offer to Prepay Notes. The offer to prepay Notes contemplated by Section 8.6(a) and Section 8.6(b) shall be an offer to prepay, in accordance with and subject to this Section 8.6, all, but not less than all, the Notes held by each holder (in this case only, "holder" in respect of any Note registered in the name of a nominee for a disclosed beneficial owner shall mean such beneficial owner) on a date specified in such offer (the "**Proposed Prepayment Date**"). If such Proposed Prepayment Date is in connection with an offer contemplated by Section 8.6(a), such date shall be not less than 10 days and not more than 60 days after the date of such offer (if the Proposed Prepayment Date shall not be specified in such offer, the Proposed Prepayment Date shall be the 30th day after the date of such offer).

(d) Acceptance. A holder of Notes may accept the offer to prepay made pursuant to this Section 8.6 by causing a notice of such acceptance to be delivered to the Company at least 5 days prior to the Proposed Prepayment Date. A failure by a holder of Notes to respond to an offer to prepay made pursuant to this Section 8.6 shall be deemed to constitute an acceptance of such offer by such holder.

(e) Prepayment. Prepayment of the Notes to be prepaid pursuant to this Section 8.6 shall be at 100% of the principal amount of the Notes, plus the Make-Whole Amount determined for the date of prepayment with respect to the principal amount, together with interest on such Notes accrued to the date of prepayment. The prepayment shall be made on the Proposed Prepayment Date except as provided in Section 8.6(f).

(f) Deferral Pending Change of Control. The obligation of the Company to prepay the Notes pursuant to the offers required by Section 8.6(c) and accepted in accordance with Section 8.6(d) is subject to the occurrence of the Change of Control in respect of which such offers and acceptances shall have been made. In the event that such Change of Control does not occur on the Proposed Prepayment Date in respect thereof, the prepayment shall be deferred until and shall be made on the date on which such Change of Control occurs. The Company shall keep each holder of Notes reasonably and timely informed of (i) any such deferral of the date of prepayment, (ii) the date on which such Change of Control and the prepayment are expected to occur, and (iii) any determination by the Company that efforts to effect such Change of Control have ceased or been abandoned (in which case the offers and acceptances made pursuant to this Section 8.6 in respect of such Change of Control shall be deemed rescinded).

(g) Officer's Certificate. Each offer to prepay the Notes pursuant to this Section 8.6 shall be accompanied by a certificate, executed by an Authorized Officer of the Company and dated the date of such offer, specifying: (i) the Proposed Prepayment Date; (ii) that such offer is made pursuant to this Section 8.6; (iii) the principal amount of each Note offered to be prepaid; (iv) the interest that would be due on each Note offered to be prepaid, accrued to the Proposed Prepayment Date; (v) that the conditions of this Section 8.6 have been fulfilled; and (vi) in reasonable detail, the nature and date or proposed date of the Change of Control.

8.7 Make-Whole Amount. "**Make-Whole Amount**" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal; provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"**Called Principal**" means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.1 (b), (c), (d) or (f), Section 8.2, or Section 8.6 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"**Discounted Value**" means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"**Reinvestment Yield**" means, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by (i) the yields reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PX1" (or such other display as may replace Page PX1 on Bloomberg Financial Markets ("**Bloomberg**") or, if Page PX1 (or its successor screen on Bloomberg) is unavailable, the Telerate Access Service screen which corresponds most closely to Page PX1 for the most recently issued actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent

yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded U.S. Treasury security with the maturity closest to and greater than such Remaining Average Life and (2) the actively traded U.S. Treasury security with the maturity closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

"**Remaining Average Life**" means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"**Remaining Scheduled Payments**" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date; provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.1(b), (c), (d) or (f), Section 8.2, Section 8.6 or Section 12.1.

"**Settlement Date**" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.1(b), (c), (d) or (f), Section 8.2 or Section 8.6, or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

9. Affirmative Covenants. The Company covenants that for so long as any of the Notes are outstanding:

9.1 Use of Proceeds. The Company will, and will cause each Restricted Subsidiary to, use the proceeds of the Notes for working capital and general corporate purposes, which may include, without limitation, purchases of Receivables Portfolios, Permitted Acquisitions and repayment of Indebtedness. The Company shall use the proceeds of the Notes in compliance with all applicable legal and regulatory requirements and any such use shall not result in a violation of any such requirements, including, without limitation, Regulation U or X, the Securities Act and the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder.

9.2 Conduct of Business. The Company will, and will cause each Restricted Subsidiary to, (i) carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is conducted on the Closing Date; provided that in no event shall any member of the Propel Group engage in any business such that it would acquire any material amount of Receivables to the extent such Receivables could be Eligible Receivables if held by a Credit Party, and (ii) do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good

standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, as in effect on the Closing Date, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except (i) as permitted by Section 10.2, and (ii) to the extent that the failure to maintain any of the foregoing could not reasonably be expected to have a Material Adverse Effect.

9.3 Taxes. The Company will, and will cause each Restricted Subsidiary to, timely file complete and correct United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with Agreement Accounting Principles.

9.4 Insurance. The Company will, and will cause each Restricted Subsidiary to, maintain with financially sound and reputable insurance companies insurance on their Property in such amounts, subject to such deductibles and self-insurance retentions, and covering such risks as is consistent with sound business practice. The Company shall deliver to the Collateral Agent endorsements in form and substance reasonably acceptable to the Collateral Agent to all general liability and other liability policies naming the Collateral Agent as an additional insured. The Company shall furnish to any holder of Notes such additional information as such holder may reasonably request regarding the insurance carried by the Company and its Restricted Subsidiaries. In the event the Company or any of its Restricted Subsidiaries at any time or times hereafter shall fail to obtain or maintain any of the policies or insurance required herein or to pay any premium in whole or in part relating thereto, then the Collateral Agent, without waiving or releasing any obligations or resulting Event of Default hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which the Collateral Agent deems advisable. All sums so disbursed by the Collateral Agent shall constitute part of the Secured Obligations, payable as provided in this Agreement.

9.5 Compliance with Laws. The Company will, and will cause each Restricted Subsidiary to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, the USA Patriot Act, the Fair Debt Collection Practices Act (or any similar federal, state or local laws or regulations relating to consumer debt or the collection thereof), all Environmental Laws, ERISA and Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 to which it may be subject where non-compliance with such laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards could reasonably be expected to cause a Material Adverse Effect.

9.6 Maintenance of Properties. Subject to Section 10.3, the Company will, and will cause each Restricted Subsidiary to, do all things necessary to maintain, preserve, protect and keep the tangible Property material to the operation of its business in good repair, working order and condition, (ordinary wear and tear excepted), and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times.

9.7 Guarantors. The Company shall cause each of its Restricted Subsidiaries (other than the Excluded Subsidiaries, Immaterial Subsidiaries and each member of the Propel Group)) to guarantee pursuant to the Multiparty Guaranty or supplement or counterpart thereto (or, in the case of a Foreign Subsidiary, any other guaranty agreement requested by the Required Holders) the obligations of the Company evidenced by the Notes and under the other Transaction Documents. In furtherance of the above, after the formation or acquisition of any Restricted Subsidiary or the occurrence of a Subsidiary Redesignation, the Company shall promptly (and in any event upon the earlier of (x) such time as such Restricted Subsidiary becomes a guarantor, co-borrower or other obligor under the Credit Agreement and (y) within 45 days after such formation or acquisition or such Subsidiary Redesignation): (i) provide written notice to the holders of Notes upon any Person becoming a Subsidiary, setting forth information in reasonable detail describing all of the assets of such Person; (ii) cause such Person (other than any Excluded Subsidiary, Immaterial Subsidiary and member of the Propel Group) to execute a supplement or counterpart to the Multiparty Guaranty and such other Collateral Documents as are necessary for the Company and its Subsidiaries to comply with Section 9.8; (iii) cause the Applicable Pledge Percentage of the issued and outstanding equity interests of such Person and each other Pledge Subsidiary to be delivered to the Collateral Agent (together with undated stock powers signed in blank, if applicable) and pledged to the Collateral Agent pursuant to an appropriate pledge agreement(s) in substantially the form of the Pledge and Security Agreement (or joinder or other supplement thereto) and otherwise in form reasonably acceptable to the Required Holders; and (iv) deliver such other documentation as the Required Holders may reasonably request in connection with the foregoing, including, without limitation, certified resolutions and other authority documents of such Person and, to the extent requested by the Required Holders, favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to above), all in form, content and scope reasonably satisfactory to the Required Holders. Notwithstanding the foregoing, no Foreign Subsidiary shall be required to execute and deliver the Multiparty Guaranty (or supplement thereto) or such other guaranty agreement if such execution and delivery would cause a Deemed Dividend Problem or a Financial Assistance Problem with respect to such Foreign Subsidiary and, in lieu thereof, the Company and the relevant Restricted Subsidiaries shall provide the pledge agreements required under this Section 9.7 or Section 9.8. Notwithstanding the foregoing, the Company will be required to comply with this Section 9.7 with respect to any Subsidiaries of Propel Acquisition LLC to the extent that the provisions of the Propel Indebtedness no longer prohibits the guaranty of the obligations evidenced by the Notes or the granting of security with respect thereto, and (y) with respect to any Immaterial Subsidiary if it ceases to be an Immaterial Subsidiary under the terms of the definition thereof.

9.8 Collateral. The Company will cause, and will cause each other Credit Party to cause, all of its owned Property to be subject at all times to first priority, perfected Liens in favor of the Collateral Agent for the benefit of the Secured Parties to secure the Secured Obligations in accordance with the terms and conditions of the Intercreditor Agreement and the Collateral Documents, subject in any case to Liens permitted by Section 10.6 hereof (it being understood and agreed that (a) no control agreements will be required hereunder in respect of bank accounts, and (b) Mortgages and Mortgage Instruments will only be required hereunder in respect of Mortgaged Properties). Without limiting the generality of the foregoing, the Company: (i) will cause the Applicable Pledge Percentage of the issued and outstanding equity interests of each Pledge Subsidiary directly owned by the Company or any other Credit Party to

be subject at all times to a first priority, perfected Lien in favor of the Collateral Agent to secure the Secured Obligations in accordance with the terms and conditions of the Collateral Documents or such other security documents as the Collateral Agent shall reasonably request; and (ii) will, and will cause each Guarantor to, deliver Mortgages and Mortgage Instruments with respect to real property owned by the Company or such Guarantor to the extent, and within such time period as is, reasonably required by the Collateral Agent. Notwithstanding the foregoing, no pledge agreement in respect of the equity interests of a Foreign Subsidiary shall be required hereunder to the extent such pledge thereunder is prohibited by applicable law or counsel to the holders of the Notes reasonably determines that such pledge would not provide material credit support for the benefit of the Secured Parties pursuant to legally valid, binding and enforceable pledge agreements.

9.9 Most Favored Lender. If at any time any of the Credit Agreement, or any agreement or document related to the Credit Agreement or any Principal Credit Facility of the Company, includes (i) any covenant, event of default or similar provision that is not provided for in this Agreement, or (ii) any covenant, event of default or similar provision that is more restrictive than the same or similar covenant, event of default or similar provision provided in this Agreement (all such provisions described in clauses (i) or (ii) of this Section 9.9 being referred to as the "**Most Favored Covenants**"), then (a) such Most Favored Covenant shall immediately and automatically be incorporated by reference in this Agreement as if set forth fully herein, *mutatis mutandis*, and no such provision may thereafter be waived, amended or modified under this Agreement except pursuant to the provisions of Section 17, and (b) the Company shall promptly, and in any event within five (5) Business Days after entering into any such Most Favored Covenant, so advise the holders of Notes in writing. Thereafter, upon the request of the Required Holders, the Company shall enter into an amendment to this Agreement with the Required Holders evidencing the incorporation of such Most Favored Covenant, it being agreed that any failure to make such request or to enter into any such amendment shall in no way qualify or limit the incorporation by reference described in clause (a) of the immediately preceding sentence.

9.10 Minimum Committed Revolving Credit Facility. The Company covenants that it will maintain at all times a revolving credit facility with minimum aggregate commitments of $300,000,000 and with a remaining period until final maturity of not less than three months.

9.11 Information Required by Rule 144A. The Company covenants that it will, upon the request of the holder of any Note, provide such holder, and any Qualified Institutional Buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to and in compliance with the reporting requirements of section 13 or 15(d) of the Exchange Act.

10. Negative Covenants. The Company covenants that for so long as any of the Notes are outstanding:

10.1 Restricted Payments. The Company will not, nor will it permit any Restricted Subsidiary to, make any Restricted Payment (other than dividends payable in its own

capital stock) except that (i) any Restricted Subsidiary may declare and pay dividends or make distributions to the Company or a Guarantor, (ii) the Company may, so long as no Default or Event of Default has occurred and is continuing or would arise after giving effect thereto, make Restricted Payments in an aggregate amount not to exceed, during any fiscal year of the Company, 20% of the audited Consolidated Net Income for the then most recently completed fiscal year of the Company, (iii) [reserved], (iv) the Company may (A) effect a conversion of Permitted Indebtedness pursuant to its terms by making any required payments of cash and/or the Company's capital stock and (B) make a payment of cash to enter into a Permitted Indebtedness Hedge in connection with Permitted Indebtedness, and any payments made in settlement or in performance thereof, and (v) the Company may, so long as the Payment Conditions are satisfied, make repurchases of its capital stock so long as the aggregate cumulative amount expended on and after February 8, 2010 for all such repurchases of capital stock does not exceed $50,000,000. As used herein, "**Payment Conditions**" means (i) no Default or Event of Default has then occurred and is continuing or would arise after giving effect thereto, and (ii) before and after giving effect (including pro forma effect) thereto, (A) the Company is in compliance with the covenants set forth in Sections 10.12 and 10.13, and (B) the Aggregate Outstanding Revolving Credit Exposure shall not exceed the lesser of (x) the Aggregate Revolving Commitment and (y) the Borrowing Base, in each case, then in effect.

10.2 Merger or Dissolution. The Company will not, nor will it permit any Restricted Subsidiary to, merge or consolidate with or into any other Person or dissolve, except that:

10.2.1 a Restricted Subsidiary may merge into (x) the Company, so long as the Company is the survivor of such merger or (y) a Wholly-Owned Subsidiary that is a Guarantor or becomes a Guarantor promptly upon the completion of the applicable merger or consolidation, so long as such Wholly-Owned Subsidiary is the survivor of such merger;

10.2.2 the Company or any Restricted Subsidiary may consummate any merger or consolidation in connection with any Permitted Acquisition so long as (i) in the case of the Company, the Company is the surviving entity and (ii) in the case of any Restricted Subsidiary, the Company has otherwise complied with Sections 9.7 and 9.8 in respect of the surviving entity; and

10.2.3 the Company and the Restricted Subsidiaries may enter into Permitted Restructurings.

10.3 Sale of Assets. The Company will not, nor will it permit any other Credit Party to, lease, sell or otherwise dispose of its Property to any other Person, except:

10.3.1 sales of Receivables in the ordinary course of business;

10.3.2 a disposition or transfer of assets by a Credit Party to another Credit Party or a Person that becomes a Credit Party prior to such disposition or transfer;

10.3.3 a disposition of obsolete Property, Property no longer used in the business of the Company or the other Credit Parties or other assets in the ordinary course of business of the Company or any other Credit Party, but excluding in each case Property (other than fixtures and personal Property) subject to a Lien under a Mortgage;

10.3.4 leases, sales or other dispositions of its Property that, together with all other Property of the Company and the Credit Parties previously leased, sold or disposed of (other than dispositions otherwise permitted by this Section 10.3) as permitted by this Section during any fiscal year of the Company do not exceed one percent (1%) of Consolidated Tangible Assets in the aggregate;

10.3.5 sales or dispositions of assets outside the ordinary course of business with an aggregate fair market value not to exceed, during the term of this Agreement, $20,000,000; and

10.3.6 any lease, transfer or other disposition of its Property that constitutes a permitted Investment under Section 10.4.

10.4 Investments and Acquisitions. The Company will not, nor will it permit any Restricted Subsidiary to, make or suffer to exist any Investments (including without limitation, loans and advances to, or other Investments in, Subsidiaries), or commitments therefor, or create any Subsidiary or become or remain a partner in any partnership or joint venture, or make any Acquisition of any Person, except:

10.4.1 (i) Cash Equivalent Investments, (ii) any Permitted Indebtedness Hedge, and (iii) other Investments described in Schedule 10.4.1;

10.4.2 existing Investments in Restricted Subsidiaries and other Investments in existence on the date hereof and described in Schedule 10.4.2;

10.4.3 so long as no Default or Event of Default shall have occurred and be continuing as of the date of the Asset Acceptance Acquisition, or would result from the consummation of the Asset Acceptance Acquisition, the Asset Acceptance Acquisition may be consummated in accordance with the terms and conditions of the Asset Acceptance Merger Agreement;

10.4.4 Acquisitions meeting the following requirements or otherwise approved by the Required Holders (each such Acquisition constituting a "**Permitted Acquisition**"):

(i) as of the date of the consummation of such Permitted Acquisition, no Default or Event of Default shall have occurred and be continuing or would result from such Permitted Acquisition, and the representation and warranty contained in Section 5.11 shall be true both before and after giving effect to such Permitted Acquisition;

(ii) such Permitted Acquisition is consummated pursuant to a negotiated acquisition agreement approved by the board of directors or other applicable governing body of the seller or entity to be acquired, and no material challenge to such Permitted Acquisition (excluding the exercise of appraisal rights) shall be pending or threatened by any shareholder or director of the seller or entity to be acquired;

(iii) the business to be acquired in such Permitted Acquisition is similar or related to one or more of the lines of business in which the Company and its Subsidiaries are engaged on the Closing Date;

(iv) as of the date of the consummation of such Permitted Acquisition, all material governmental and corporate approvals required in connection therewith shall have been obtained;

(v) the aggregate Purchase Price for all such Permitted Acquisitions during the term of this Agreement shall not exceed $100,000,000, provided that the Purchase Price for any single Permitted Acquisition during the term of this Agreement shall not exceed $50,000,000;

(vi) prior to the consummation of such Permitted Acquisition, the Company shall have delivered to the holders of Notes a pro forma consolidated balance sheet, income statement and cash flow statement of the Company and its Restricted Subsidiaries (the "**Acquisition Pro Forma**"), based on the Company's most recent financial statements delivered pursuant to Section 7.1.1 (using, to the extent available, historical financial statements for such entity provided by the seller(s)) which shall be complete and shall fairly present, in all material respects, the financial condition and results of operations and cash flows of the Company and its Restricted Subsidiaries in accordance with Agreement Accounting Principles, but taking into account such Permitted Acquisition and the funding of all extensions of credit in connection therewith, and such Acquisition Pro Forma shall reflect that, on a pro forma basis, the Company would have been in compliance with the financial covenants set forth in Sections 10.12 and 10.13 for the period of four fiscal quarters reflected in the compliance certificate most recently delivered to the holders of Notes pursuant to Section 7.1.4 prior to the consummation of such Permitted Acquisition (giving effect to such Permitted Acquisition and all extensions of credit funded in connection therewith as if made on the first day of such period); provided, however, that no such compliance with Section 10.12 is required to be demonstrated in such Acquisition Pro Forma for an Acquisition which is either (x) solely a purchase of assets or (y) an acquisition of an entity or a going business for which no financial statements are available; and

(vii) prior to each such Permitted Acquisition, the Company shall deliver to the holders of Notes a documentation, information and certification package in form reasonably acceptable to the Required Holders and demonstrating conformity with the applicable Acquisition Pro Forma and sufficient to describe the assets and Persons being acquired, including, without limitation:

(A) a near-final version (with no further material amendments to be made thereto) of the acquisition agreement for such Permitted Acquisition together with drafts of the material schedules thereto;

(B) a near-final version (with no further material amendments to be made thereto) of all documents, instruments and agreements with respect to any Indebtedness to be incurred or assumed in connection with such Permitted Acquisition; and

(C) such other documents or information as shall be reasonably requested by the Required Holders in connection with such Permitted Acquisition;

10.4.5 a Permitted Restructuring;

10.4.6 creation of, or Investment in, a Restricted Subsidiary (other than (i) a Blocked Propel Subsidiary and (ii) a Foreign Subsidiary that is not a Credit Party) and in respect of which the Company has otherwise complied with Sections 9.7 and 9.8, provided that in the case of any investments in any Subsidiaries of Propel Acquisition LLC, such investment shall be permitted only to the extent that, after giving effect to such investment, (i) no Default shall exist and be continuing and (ii) the Company shall be in compliance with Sections 10.12 and 10.13 on a pro-forma basis as if the Investment occurred on the first day of the applicable period being tested pursuant to such Sections and 10.5.16;

10.4.7 Investments constituting Indebtedness permitted by Section 10.5.5 or Section 10.5.16;

10.4.8 Investments by a Credit Party in another Credit Party;

10.4.9 Minority Investments of the Company or its Restricted Subsidiaries, so long as (A) the aggregate Investment permitted under this Section 10.4.9 in any single Person shall not exceed $20,000,000 at any time outstanding and (B) the aggregate for all Investments permitted by this Section 10.4.9 shall not at any time exceed the lesser of (1) $60,000,000 and (2) $150,000,000 less the aggregate outstanding Investments made pursuant to Sections 10.4.10 and 10.4.11;

10.4.10 Permitted Foreign Subsidiary Investment/Loans, provided that the aggregate for all Investments permitted by this Section 10.4.10 shall not exceed at any time the greater of (A) ten percent (10%) of Consolidated Tangible Net Worth and (B) $150,000,000 less the aggregate outstanding Investments made pursuant to Sections 10.4.9 and 10.4.11; and

10.4.11 Investments in Unrestricted Subsidiaries and Blocked Propel Subsidiaries not to exceed in the aggregate at any time $150,000,000 less the aggregate outstanding Investments made pursuant to Sections 10.4.9 and 10.4.10.

For purposes of determining the amount of any Investment outstanding for purposes of this Section 10.4, such amount shall be deemed to be the Fair Market Value of such Investment when made, purchased or acquired less any amount realized by the Company or a Restricted Subsidiary in respect of such Investment upon the sale, collection or return of capital, including by way of a Subsidiary Redesignation after the Investment therein (in any case, not to exceed the original amount invested).

10.5 Indebtedness. The Company will not, nor will it permit any Restricted Subsidiary to, create, incur or suffer to exist any Indebtedness, except:

10.5.1 the Secured Obligations;

10.5.2 Indebtedness existing on the date hereof and described in Schedule 10.5;

10.5.3 Indebtedness arising under Rate Management Transactions (other than for speculative purposes);

10.5.4 secured or unsecured purchase money Indebtedness (including Capitalized Leases) incurred by the Company or any of its Restricted Subsidiaries after February 8, 2010 to finance the acquisition of assets used in its business, if (1) the total of all such Indebtedness for the Company and its Restricted Subsidiaries taken together incurred on or after February 8, 2010, when aggregated with the Indebtedness permitted under Section 10.5.9, shall not exceed an aggregate principal amount of $15,000,000 at any one time outstanding, (2) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed, (3) no such Indebtedness shall be refinanced for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing, and (4) any Lien securing such Indebtedness is permitted under Section 10.6 (such Indebtedness being referred to herein as "**Permitted Purchase Money Indebtedness**");

10.5.5 Indebtedness arising from intercompany loans and advances (i) made by any Subsidiary to any Credit Party; provided that the Company agrees (and will cause each of its Subsidiaries to agree) that all such Indebtedness owed to any Subsidiaries of Propel Acquisition LLC or any Unrestricted Subsidiary by any Credit Party shall be expressly subordinated to the Secured Obligations pursuant to subordination provisions reasonably acceptable to the Required Holders, (ii) made by the Company to any other Credit Party, (iii) made by the Company or any Restricted Subsidiary to any Restricted Subsidiary solely for the purpose of facilitating, in the ordinary course of business consistent with past practice as of the Closing Date (and excluding, for the avoidance of doubt, any business relating to the acquisition of receivables owed by a Person subject to bankruptcy or similar proceedings), the payment of fees and expenses in connection with collection actions or proceedings or

(iv) made by the Company or any Restricted Subsidiary to any Subsidiaries of Propel Acquisition LLC (other than a Blocked Propel Subsidiary) to the extent such loan would be permitted as an investment in compliance with the proviso of Section 10.4.6 or any Unrestricted Subsidiary to the extent such loan would be permitted as an investment in compliance with Section 10.4.11;

10.5.6 guaranty obligations of the Company of any Indebtedness of any Restricted Subsidiary permitted under Section 10.5.2 or of any Indebtedness of any Subsidiary permitted as an Investment under Sections 10.4.9, 10.4.10 or 10.4.11;

10.5.7 guaranty obligations of any Restricted Subsidiary of the Company that is a Guarantor with respect to any Indebtedness of the Company or any other Restricted Subsidiary permitted under this Section 10.5, other than the Permitted Foreign Subsidiary Non-Recourse Indebtedness;

10.5.8 [Intentionally Omitted];

10.5.9 additional unsecured Indebtedness of the Company or any Restricted Subsidiary, to the extent not otherwise permitted under this Section 10.5; provided, however, that the aggregate principal amount of such additional Indebtedness, when aggregated with the Indebtedness permitted under Section 10.5.4 shall not exceed $20,000,000 at any time outstanding;

10.5.10 bonds or other Indebtedness required by collections licensing laws in the ordinary course of the Credit Parties' business;

10.5.11 Indebtedness, liabilities and contingent obligations incurred or assumed in connection with a Permitted Acquisition; provided, however, that any such Indebtedness incurred or assumed by a Person that is a Foreign Subsidiary after giving effect to the consummation of such Permitted Acquisition shall be permitted only to the extent such Indebtedness constitutes Permitted Foreign Subsidiary Non-Recourse Indebtedness;

10.5.12 [Intentionally Omitted];

10.5.13 Permitted Foreign Subsidiary Non-Recourse Indebtedness;

10.5.14 Indebtedness constituting Permitted Foreign Subsidiary Investments/Loans, to the extent permitted as an Investment in compliance with the proviso of Section 10.4.10;

10.5.15 additional unsecured or subordinated Indebtedness of the Company or any of its Restricted Subsidiaries, to the extent not otherwise permitted under this Section 10.5; provided, however, that (i) the aggregate principal amount of such additional Indebtedness shall not exceed $300,000,000, and (ii) if such Indebtedness is subordinated, the terms of such subordination shall be reasonably acceptable to the Required Holders;

10.5.16 the Propel Indebtedness, provided that the aggregate principal amount thereof does not exceed $300,000,000, and the unsecured guaranty obligations of the Company of such Propel Indebtedness;

10.5.17 so long as no Default or Event of Default then exists or would result therefrom, Indebtedness of any Credit Party not otherwise permitted pursuant to this Section 10.5 in an aggregate principal amount not to exceed $10,000,000 at any time outstanding; provided, that such Indebtedness shall be limited to a letter of credit facility provided to or for the benefit of the Company and/or its Restricted Subsidiaries; and

10.5.18 Indebtedness arising from intercompany loans and advances made by any Restricted Subsidiary that is not a Credit Party to any other Restricted Subsidiary that is not a Credit Party.

10.6 Liens. The Company will not, nor will it permit any Restricted Subsidiary to, create, incur, or suffer to exist any Lien in, of or on the Property of the Company or any of its Restricted Subsidiaries, except:

10.6.1 Liens securing all Secured Obligations;

10.6.2 Liens for taxes, assessments or governmental charges or levies on its Property if the same (i) shall not at the time be delinquent or thereafter can be paid without penalty, (ii) are disclosed on Schedule 5.6, or (iii) are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books;

10.6.3 Liens imposed by law, such as landlords', wage earners', carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 45 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books;

10.6.4 Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation;

10.6.5 Liens as described in Schedule 10.6;

10.6.6 deposits securing liability to insurance carriers under insurance or self-insurance arrangements;

10.6.7 deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

10.6.8 easements, reservations, rights-of-way, restrictions, survey or title exceptions and other similar encumbrances as to real property of the Company and its Restricted Subsidiaries which customarily exist on properties of corporations engaged in similar activities and similarly situated and which do not materially interfere with the conduct of the business of the Company or such Restricted Subsidiary conducted at the property subject thereto;

10.6.9 purchase money Liens securing Permitted Purchase Money Indebtedness (as defined in Section 10.5); provided, that such Liens shall not apply to any property of the Company or its Restricted Subsidiaries other than that purchased with the proceeds of such Permitted Purchase Money Indebtedness;

10.6.10 Liens existing on any asset of any Restricted Subsidiary of the Company at the time such Restricted Subsidiary becomes a Restricted Subsidiary and not created in contemplation of such event;

10.6.11 Liens on any asset securing Indebtedness incurred or assumed for the purpose of financing or refinancing all or any part of the cost of acquiring or constructing such asset; provided that such Lien attaches to such asset concurrently with or within eighteen (18) months after the acquisition or completion or construction thereof;

10.6.12 Liens existing on any asset of any Restricted Subsidiary of the Company at the time such Restricted Subsidiary is merged or consolidated with or into the Company or any Restricted Subsidiary and not created in contemplation of such event;

10.6.13 Liens existing on any asset prior to the acquisition thereof by the Company or any Restricted Subsidiary and not created in contemplation thereof; provided that such Liens do not encumber any other Property or assets;

10.6.14 Liens arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted under Sections 10.6.9 through 10.6.13; provided that (a) such Indebtedness is not secured by any additional assets, and (b) the amount of such Indebtedness secured by any such Lien is not increased;

10.6.15 Liens on the assets of any Subsidiaries of Propel Acquisition LLC securing the Propel Indebtedness; and

10.6.16 Liens securing Indebtedness permitted by Section 10.5.17; provided that the holder(s) of such Indebtedness and the Collateral Agent shall have entered into an intercreditor agreement with respect to such Liens (and the assets subject to such Liens) that is in form and content acceptable to the Required Holders.

In addition, no Credit Party shall become a party to any agreement, note, indenture or other instrument, or take any other action, which would prohibit the creation of a Lien on any of its Properties or other assets in favor of the Collateral Agent for the benefit of the Secured Parties;

provided, however, that any agreement, note, indenture or other instrument in connection with purchase money Indebtedness (including Capitalized Leases) for which the related Liens are permitted hereunder may prohibit the creation of a Lien in favor of the Collateral Agent for the benefit of the Secured Parties with respect to the assets or Property obtained with the proceeds of such Indebtedness.

10.7 Affiliates. The Company will not, nor will it permit any Restricted Subsidiary to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate (other than the Company and the other Credit Parties) except (i) in the ordinary course of business and pursuant to the reasonable requirements of the Company's or such Restricted Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Restricted Subsidiary than the Company or such Restricted Subsidiary would obtain in a comparable arm's length transaction, and (ii) the Permitted Restructuring.

10.8 Hedging Contracts. The Company will not, nor will it permit any Restricted Subsidiary to, enter into or remain liable upon any Rate Management Transactions except for those entered into in the ordinary course of business for bona fide hedging purposes and not for speculative purposes.

10.9 Subsidiary Covenants. The Company will not, nor will it permit any Credit Party or any Subsidiaries of Propel Acquisition LLC to, create or otherwise cause to become effective any consensual encumbrance or restriction of any kind on the ability of any Credit Party or any Subsidiaries of Propel Acquisition LLC (i) to pay dividends or make any other distribution on its stock, (ii) to pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary, (iii) to make loans or advances or other Investments in the Company or any other Restricted Subsidiary, or (iv) to sell, transfer or otherwise convey any of its property to the Company or any other Restricted Subsidiary, other than (A) customary restrictions on transfers, business changes or similar matters relating to earn out obligations in connection with Permitted Acquisitions, and (B) as provided in this Agreement, the Credit Agreement and the documents evidencing the Propel Indebtedness.

10.10 Contingent Obligations. The Company will not, nor will it permit any Restricted Subsidiary to, make or suffer to exist any Contingent Obligation (including, without limitation, any Contingent Obligation with respect to the obligations of a Subsidiary), except (i) by endorsement of instruments for deposit or collection in the ordinary course of business, (ii) the reimbursement obligations in respect of letters of credit issued under the Credit Agreement, (iii) any guaranty of the Secured Obligations, (iv) any liability of the Company or the Guarantors under the Transaction Documents or the Loan Documents (as defined in the Credit Agreement), (v) Contingent Obligations in respect of customary indemnification and purchase price adjustment obligations incurred in connection with acquisitions or sales of assets, (vi) customary corporate indemnification obligations under charter documents, indemnification agreements with officers and directors and underwriting agreements, and (vii) any liability under any Indebtedness permitted by Section 10.5 (it being acknowledged and agreed that none of the Company, the Guarantors or the Domestic Subsidiaries shall make or shall suffer to exist any Contingent Obligation in respect of Indebtedness of Foreign Subsidiaries, except to the extent permitted as Investments under Section 10.4).

10.11 Subordinated Indebtedness and Amendments to Subordinated Note Documents. The Company will not, nor will it permit any Restricted Subsidiary to, directly or indirectly voluntarily prepay, defease or in substance defease, purchase, redeem, retire or otherwise acquire, any Subordinated Indebtedness. Furthermore, the Company will not, and will not permit any Restricted Subsidiary to, amend the Subordinated Indebtedness Documents or any document, agreement or instrument evidencing any Indebtedness incurred pursuant to the Subordinated Indebtedness Documents (or any replacements, substitutions, extensions or renewals thereof) or pursuant to which such Indebtedness is issued where such amendment, modification or supplement provides for the following or which has any of the following effects:

(i) increases the overall principal amount of any such Indebtedness or increases the amount of any single scheduled installment of principal or interest;

(ii) shortens or accelerates the date upon which any installment of principal or interest becomes due or adds any additional mandatory redemption provisions;

(iii) shortens the final maturity date of such Indebtedness or otherwise accelerates the amortization schedule with respect to such Indebtedness;

(iv) increases the rate of interest accruing on such Indebtedness;

(v) provides for the payment of additional fees or increases existing fees or changes any profit sharing arrangements to the detriment of the Company or any other Credit Party;

(vi) amends or modifies any financial or negative covenant (or covenant which prohibits or restricts the Company or any of its Restricted Subsidiaries from taking certain actions) in a manner which is more onerous or more restrictive in any material respect to the Company or such Restricted Subsidiary or which is otherwise materially adverse to the Company, its Restricted Subsidiaries and/or the holders of Notes or, in the case of any such covenant, which places material additional restrictions on the Company or such Restricted Subsidiary or which requires the Company or such Restricted Subsidiary to comply with more restrictive financial ratios or which requires the Company to better its financial performance, in each case from that set forth in the existing applicable covenants in the Subordinated Indebtedness Documents or the applicable covenants in this Agreement; or

(vii) amends, modifies or adds any affirmative covenant in a manner which (a) when taken as a whole, is materially adverse to the Company, its Restricted Subsidiaries and/or the holders of Notes, or (b) is more onerous than the existing applicable covenant in the Subordinated Indebtedness Documents or the applicable covenant in this Agreement.

10.12 Leverage Ratios.

10.12.1 Cash Flow Leverage Ratio. The Company will not at any time permit the ratio (the "**Cash Flow Leverage Ratio**") of (i) Consolidated Funded Indebtedness at such time to (ii) Consolidated EBITDA for the then most-recently ended four fiscal quarters to be greater than 2.00 to 1.00.

The Cash Flow Leverage Ratio shall be calculated: (i) based upon (a) for Consolidated Funded Indebtedness at the applicable time of determination, and (b) for Consolidated EBITDA, the actual amount as of the last day of each fiscal quarter for the most recently ended four consecutive fiscal quarters; and (ii) giving pro forma effect to any Material Acquisition and Material Disposition. For purposes of this Section 10.12.1, "**Material Acquisition**" means any Acquisition or series of related Acquisitions that involves the payment of consideration by the Company and its Restricted Subsidiaries in excess of $10,000,000; and "**Material Disposition**" means any Asset Sale or series of related Asset Sales that yields gross proceeds to the Company or any of its Restricted Subsidiaries in excess of $10,000,000.

10.12.2 Minimum Net Worth. The Company will not permit the Consolidated Net Worth of the Company and its Restricted Subsidiaries to be less than the sum of (i) a dollar amount equal to $166,506,500, plus (ii) 50% of such Consolidated Net Income earned in each fiscal quarter beginning with the quarter ending March 31, 2009 (without deduction for losses), plus (iii) 100% of the amount by which the Company's "total stockholders' equity" is increased after February 8, 2010 as a result of the issuance or sale by the Company or any of its Restricted Subsidiaries of, or the conversion of any Indebtedness of such Person into, any equity interests (including warrants and similar investments) in such Person, minus (iv) amounts expended by the Company and its Restricted Subsidiaries to repurchase the Company's capital stock to the extent such repurchases are permitted under Section 10.1(v)(A).

10.13 Interest Coverage Ratio. The Company will not permit the ratio, determined as of the end of each of its fiscal quarters for the then most-recently completed four fiscal quarters, of (i) Consolidated EBIT, to (ii) Consolidated Interest Expense, in each case as of the end of such period, to be less than 2.00 to 1.00.

10.14 Capital Expenditures. The Company will not, nor will it permit any Restricted Subsidiary to, expend, or be committed to expend, in excess of an aggregate of $20,000,000 for Capital Expenditures of the Company and its Restricted Subsidiaries during any fiscal year of the Company.

10.15 Rentals. The Company will not permit, nor will it permit any Restricted Subsidiary to, create, pay or incur Consolidated Rentals in excess of $15,000,000 for any fiscal year during the term of this Agreement on a consolidated basis for the Company and its Restricted Subsidiaries.

10.16 Sale and Leaseback Transactions. The Company will not, nor will it permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction.

10.17 Acquisitions of Receivables Portfolios. The Company will not, nor will it permit any Restricted Subsidiary to, acquire any single or related series of Receivables Portfolio(s) with a purchase price in excess of the lesser of (i) 50% of Consolidated Tangible Net Worth as of the Company's most recently ended fiscal quarter and based on the financial statements of the Company delivered hereunder for such fiscal quarter and (ii) $150,000,000 (it being agreed that any one or more tranches or groups of Receivables purchased by one or more Credit Parties from the same seller or an Affiliate of such seller within a period of seven (7) consecutive days shall be deemed to be a single acquisition).

10.18 [Intentionally Omitted.]

10.19 Acquisition of Foreign Receivables. The Company will not, nor will it permit any Restricted Subsidiary to, (i) acquire any Receivable denominated in a currency other than Dollars, (ii) acquire any Receivable with respect to which the debtor is a resident of a jurisdiction other than the United States of America, (iii) acquire any Person which owns any Receivable denominated in a currency other than Dollars or any Receivable with respect to which the debtor is a resident of a jurisdiction other than the United States of America, or (iv) acquire any Person organized under the laws of any jurisdiction other than the United States of America or any state thereof, if, after giving effect to such acquisition, the aggregate outstanding book value (without duplication) of all such Receivables (in the case of clauses (i) and (ii)), all such Receivables owned by such Person (in the case of clause (iii)) and any and all Receivables owned by such Person (in the case of clause (iv)) would exceed in the aggregate 40% of the total book value of all Receivables of the Company and its Restricted Subsidiaries at any time.

10.20 Terrorism Sanctions Regulations. The Company will not, and will not permit any Affiliated Entity to, (a) become an OFAC Listed Person, or (b) have any investments in, or engage in any dealings or transactions with, any Blocked Person.

11. Events of Default. An "**Event of Default**" shall exist if any of the following conditions or events shall occur and be continuing:

(a) The Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five (5) Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Sections 7.1, 7.2, 8.6, 8.7, 9.7, 9.8, 9.10 or 10; or

(d) any Credit Party defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b) and (c) of this Section 11) or in any other Transaction Document and such default is not remedied within thirty (30) days after the earlier of (i) an Authorized Officer obtaining actual knowledge of such default, and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this paragraph (d) of Section 11); or

(e) any representation or warranty made in writing by or on behalf of any Credit Party or by any officer of any Credit Party in this Agreement or in any other Transaction Document or in any writing furnished in connection with the transactions contemplated hereby or thereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Restricted Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any outstanding Indebtedness beyond any period of grace provided with respect thereto, or (ii) the Company or any Restricted Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests), (x) the Company or any Restricted Subsidiary has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment, or (y) one or more Persons have the right to require the Company or any Restricted Subsidiary so to purchase or repay such Indebtedness; provided that the aggregate principal amount of all Indebtedness to which such a payment default shall occur and be continuing or such a failure or other event causing or permitting acceleration (or resale to the Company or any Restricted Subsidiary) shall occur and be continuing exceeds $10,000,000 (or its equivalent in other currencies); or

(g) the Company or any Restricted Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Restricted Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of

any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Restricted Subsidiaries, or any such petition shall be filed against the Company or any of its Restricted Subsidiaries and such petition shall not be dismissed within 60 days; or

(i) the Company or any of its Restricted Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge one or more (i) judgments or orders for the payment of money in excess of $10,000,000 (or its equivalent in other currencies) in the aggregate, or (ii) nonmonetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgment(s) or order(s), in any such case, is/are not stayed on appeal or otherwise being appropriately contested in good faith or otherwise not covered by a creditworthy insurer or indemnitor which has acknowledged in writing coverage thereof; or

(j) if (i) any Plan shall fail to satisfy the minimum funding standards of the Pension Funding Rules for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under the Pension Funding Rules, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed $10,000,000 (or its equivalent in other currencies), (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder, (vii) the aggregate unfunded liability (excluding the accrued funding liability for the then current fiscal year) with respect to all benefit plans (other than pension plans) maintained by the Company and the Subsidiaries exceeds $10,000,000 (or its equivalent in other currencies), (viii) the unfunded liability with respect to any pension plan maintained by the Company or any Subsidiary exceeds the maximum amount prescribed by any applicable laws or regulations of any Governmental Authority, or (ix) the Company or any Subsidiary shall otherwise fail to comply with any laws, regulations or orders in the establishment, administration or maintenance of any pension plan or shall fail to pay or accrue any premiums, contributions or other amounts required by applicable pension plan documents or applicable laws; and any such event or events described in clauses (i) through (ix) above, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; or

(k) nonpayment by the Company or any Restricted Subsidiary of any Rate Management Obligation, when due or the breach by the Company or any Restricted Subsidiary of any term, provision or condition contained in any Rate Management Transaction or any transaction of the type described in the definition of "Rate Management Transactions"; or

(l) the Company or any of its Restricted Subsidiaries shall violate any Environmental Law, which has resulted in liability to the Company or any of its Restricted Subsidiaries in an amount equal to $5,000,000 or more (or its equivalent in other currencies), which liability is not paid, bonded or otherwise discharged within 45 days or which is not stayed on appeal and being appropriately contested in good faith; or

(m) this Agreement (including amendments, supplements or other modifications hereto), the Multiparty Guaranty Agreement (including amendments, supplements or other modifications thereto) or any Collateral Document (including amendments, supplements or other modifications thereto) shall fail to remain in full force or effect or any action shall be taken to assert the invalidity or unenforceability of (including any action taken on the part of the Company or its Restricted Subsidiaries to assert such invalidity or unenforceability of), or which results in the invalidity or unenforceability of, any such Transaction Document, or any Collateral Document shall, other than as permitted thereby, fail to create or maintain for any reason a valid and perfected security interest in any collateral purported to be covered thereby.

As used in Section 11(j), the terms "**employee benefit plan**" and "**employee welfare benefit plan**" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

12. Remedies on Default, Etc.

12.1 Acceleration.

(a) If an Event of Default with respect to the Company described in Section 11(g) or (h) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, in addition to any action that may be taken pursuant to Section 12.1(c), any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

(c) If any other Event of Default has occurred and is continuing, any holder or holders of a majority in principal amount of the Notes of any Series at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all the Notes of such Series then outstanding to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the Default Rate), and (y) the Make-Whole Amount determined in

respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from prepayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2 Other Remedies. If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note or other Transaction Document, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3 Rescission. At any time after any Notes of any Series have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the holders of not less than a majority in principal amount of the Notes of such Series then outstanding, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes of such Series, all principal of and Make-Whole Amount, if any, on any Notes of such Series that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes of such Series, at the Default Rate, (b) neither the Company nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4 No Waivers or Election of Remedies, Expenses, etc. No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement, any Note or any other Transaction Document upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of such Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

12.5 Notice of Acceleration or Rescission. Whenever any Note shall be declared immediately due and payable pursuant to Section 12.1 or any such declaration shall be rescinded and annulled pursuant to Section 12.3, the Company shall forthwith give written notice thereof to the holder of each Note at the time outstanding.

13. Registration; Exchange; Substitution of Notes.

13.1 Registration of Notes. The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

13.2 Transfer and Exchange of Notes. Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)) for registration of transfer or exchange (and, in the case of a surrender for registration of transfer, accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within ten Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or more replacement Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such replacement Note shall be payable to such Person as such holder may request and shall be substantially in the form of the Note so surrendered. Each such replacement Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $1,000,000 (or its equivalent if denominated in another currency); provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes of a Series, one Note may be in a denomination of less than $1,000,000 (or its equivalent if denominated in another currency). Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2.

13.3 Replacement of Notes. Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an

original Purchaser or another holder of a Note with a minimum net worth of at least $5,000,000 or a Qualified Institutional Investor, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter, the Company at its own expense shall execute and deliver, in lieu thereof, a replacement Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

14. Payments on Notes.

14.1 Place of Payment. Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of JPMorgan Chase Bank in such jurisdiction. The holder of a Note may at any time, by notice to the Company, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

14.2 Home Office Payment. So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a replacement Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by any Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchaser has made in this Section 14.2.

15. Expenses, Etc.

15.1 Transaction Expenses. Whether or not the transactions contemplated hereby are consummated, the Company will pay all reasonable costs and expenses (including reasonable attorneys' fees of a special counsel, local counsel and, if reasonably required by the Required Holders, other counsel) incurred by the Purchasers, any holder of a Note or the Collateral Agent in connection with such transactions and in connection with any amendments,

waivers or consents under or in respect of this Agreement, the Notes or any of the other Transaction Documents (whether or not such amendment, waiver or consent becomes effective), and the Company will, in addition, pay: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, the Notes or any of the other Transaction Documents or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Notes or any of the other Transaction Documents, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes, and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO. The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders.

15.2 Survival. The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or the Notes, and the termination of this Agreement.

16. Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein or in any of the other Transaction Documents shall survive the execution and delivery of this Agreement, the Notes and the other Transaction Documents, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate delivered by or on behalf of the Company or any other Credit Party pursuant to this Agreement or any of the other Transaction Documents shall be deemed representations and warranties of the Company or such other Credit Party under this Agreement or such other Transaction Document. Subject to the preceding sentence, this Agreement, the Notes and the other Transaction Documents embody the entire agreement and understanding between each Purchaser and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

17. Amendment and Waiver.

17.1 Requirements.

(a) This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders of the Notes of each Series, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5 or 6 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment

or method of computation of interest or of the Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend any of Sections 8, 11(a), 11(b), 12, 17 or 20.

(b) Notwithstanding the foregoing provisions of Section 17.1(a), if: (1) the Company and the Administrative Agent under the Credit Agreement have notified the holders of Notes in writing that the Required Lenders (as defined in the Credit Agreement on the date hereof) have approved the amendment of the corresponding provision(s) in the Credit Agreement; (2) the Majority of the Combined Banks and Noteholders (calculated on a date which is no more than 5 Business Days after such written notification with such calculation made as of the date of such notification) have consented to such amendment for purpose of the Credit Agreement and this Agreement; (3) no Default or Event of Default exists at such time (other than a Default or Event of Default existing solely as the result of a breach of the provision(s) of this Agreement which correspond to such provision(s) of the Credit Agreement which the Required Lenders have approved for amendment as described in the immediately preceding clause (1)); (4) no repayment of principal of the debt facilities under the Credit Agreement is required as consideration for such proposed amendment; and (5) no fee or other remuneration is required to be paid to or for the benefit of any party to the Credit Agreement as consideration for such proposed amendment unless the holders of Notes are paid their ratable share of such remuneration (based on the principal amount outstanding as of such notification date of the Notes and of the bank facilities under the Credit Agreement), then each Purchaser agrees (and each holder of a Note, by its acceptance of a Note, will be deemed to have agreed) to amend the following provisions in a substantially similar manner (except as expressly provided in the immediately succeeding clauses (iv)), to be effective concurrent with the effectiveness of the corresponding amendment to the corresponding provision of the Credit Agreement:

(i) Section 9.2 (Conduct of Business);

(ii) Section 10.4.3 (Permitted Acquisitions);

(iii) the dollar limitation set forth in each of Section 10.5.4(1) (Permitted Purchase Money Indebtedness) and Section 10.5.9 (Additional Unsecured Indebtedness), but, in each case, only to the extent that the aggregate amount of such permitted Indebtedness does not exceed $25,000,000;

(iv) Section 10.5.13, but only so long as conditions (a), (b) and (c) of the definition of the term “Permitted Foreign Subsidiary Non-Recourse Indebtedness” are not amended;

(v) Section 10.14;

(vi) Section 10.15;

(vii) Section 10.17; and

(viii) Section 10.19.

17.2 Solicitation of Holders of Notes.

(a) Solicitation. The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

17.3 Binding Effect etc. Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term “this Agreement” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

17.4 Notes Held by Company, etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes or any Series thereof then outstanding have approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes or any Series thereof, or have directed the taking of any action provided herein or in the Notes or any Series thereof to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes or any Series thereof then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

18. Notices. All notices and communications provided for hereunder shall be in writing and sent (a) by telefacsimile if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to a Purchaser or its nominee, to such Person at the address specified for such communications in Schedule A, or at such other address as such Person or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of the Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed to have been given only when actually received.

19. Reproduction of Documents. This Agreement, and all documents relating hereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (as defined in each of the Original Agreement and the Prior Agreement) (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

20. Confidential Information. For the purposes of this Section 20, "**Confidential Information**" means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary, or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of

third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

21. Miscellaneous.

21.1 Successors and Assigns. All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

21.2 Payments Due on Non-Business Days; Payment Currency. Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.4 that the notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

21.3 Accounting Terms. All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance

with Agreement Accounting Principals. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with Agreement Accounting Principals, and (ii) all financial statements shall be prepared in accordance with Agreement Accounting Principals.

21.4 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

21.5 Construction. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

21.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

21.7 Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such state that would permit the application of the laws of a jurisdiction other than such state.

21.8 Jurisdiction and Process; Waiver of Jury Trial. (a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement, the Notes or the other Transaction Documents. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company consents to process being served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 21.8(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 18 or at such other address of which such holder shall then

have been notified pursuant to said Section. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding, and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 21.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

21.9 Transaction References. The Company agrees that Prudential Capital Group may (a) refer to its role in originating the purchase of the Notes from the Company, as well as the identity of the Company and the aggregate principal amount and issue date of the Notes, on its internet site or in marketing materials, press releases, published "tombstone" announcements or any other print or electronic medium, and (b) display the Company's corporate logo in conjunction with any such reference.

21.10 Amendment and Restatement; No Novation. This Agreement is not intended to be, and shall not be construed to create, a novation or accord and satisfaction, and, except as otherwise provided herein, the Prior Agreement or the Original Agreement, as applicable, in each case as amended or otherwise modified from time to time prior to the effectiveness of the amendment and restatement provided hereby, shall remain in full force and effect with respect to breaches of representations and warranties or breaches of obligations which may have occurred prior to the effectiveness of the amendment and restatement provided hereby.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you and the Company.

Very truly yours,

ENCORE CAPITAL GROUP, INC.

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Executive Vice President, Chief Financial Officer, and Treasurer

The foregoing is hereby agreed to as of the date thereof.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: /s/ Jason Richardson
Vice President

PRUCO LIFE INSURANCE COMPANY

By: /s/ Jason Richardson
Assistant Vice President

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

By: Prudential Investment Management, Inc.,
investment manager

By: /s/ Jason Richardson
Vice President

PRUDENTIAL ANNUITIES LIFE ASSURANCE CORPORATION

By: Prudential Investment Management, Inc.,
investment manager

By: /s/ Jason Richardson
Vice President

Each of the undersigned Guarantors consents to the amendments effected in this Second Amended and Restated Senior Secured Note Purchase Agreement and the transactions contemplated hereby, reaffirms its obligations under the Multiparty Guaranty and its waivers, as set forth in the Multiparty Guaranty, of each and every one of the possible defenses to such obligations. In addition, the undersigned Guarantor reaffirms that its obligations under the Multiparty Guaranty are separate and distinct from the Company's obligations.

PROPEL ACQUISITION LLC, a Delaware limited liability company

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Executive Vice President, Chief Financial Officer, and Treasurer

MIDLAND CREDIT MANAGEMENT, INC., a Kansas corporation

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Executive Vice President, Chief Financial Officer, and Treasurer

MIDLAND FUNDING LLC, a Delaware limited liability company

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Treasurer

MIDLAND FUNDING NCC-2 CORPORATION, a Delaware corporation

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Treasurer

MIDLAND INTERNATIONAL LLC, a Delaware limited liability company

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Treasurer

MIDLAND PORTFOLIO SERVICES, INC., a Delaware corporation

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Treasurer

MRC RECEIVABLES CORPORATION, a Delaware corporation

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Treasurer

MIDLAND INDIA LLC, a Minnesota limited liability company

By: /s/ Glen V. Freter
Name: Glen V. Freter
Title: Treasurer

SCHEDULE A

PURCHASER SCHEDULE

Purchaser Name	**THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**
Name in Which Notes are to be Registered	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
Note Registration Numbers; Original Principal Amounts	R-1 $20,000,000 R-2 $ 9,750,000 RR-1 $14,000,000
Payment on Account of Notes	Method: Federal Funds Wire Transfer Account Information: JPMorgan Chase Bank New York, NY ABA No.: 021-000-021 Account No.: P86288 (please do not use spaces) in the case of Note R-1 in the original principal amount of $20,000,000 Account No.: P86188 (please do not include spaces) in the case of Note R-2 in the original principal amount of $9,750,000 and Note RR-1 in the original principal amount of $14,000,000 Re: (See "Accompanying Information" below)
Accompanying Information	Name of Company: Encore Capital Group, Inc. Description of Security: 7.75% Senior Secured Notes due 2017 PPN: 292554 A*3 Name of Company: Encore Capital Group, Inc. Description of Security: 7.375% Senior Secured Notes due 2018 PPN: 292554 A@1 Each such wire transfer shall also set forth the due date and application (as among principal, interest, Make-Whole Amount, if any) of the payment being made.
Address for Notices Related to Payments	The Prudential Insurance Company of America c/o Investment Operations Group Gateway Center Two, 10th Floor 100 Mulberry Street Newark, NJ 07102-4077

Purchaser Name	**THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**
	Attn: Manager, Billings and Collections
	with telephonic prepayment notices to:
	Manager, Trade Management Group
	Tel: (973) 367-3141
	Fax: (800) 224-2278
Address for All Other Notices	The Prudential Insurance Company of America c/o Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, California 94111-4180 Attn: Managing Director
	Fax: 415-421-6233
Other Instructions	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
	By: _____ Name: Title: Vice President
Instructions re Delivery of Notes	Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, CA 94111-4180 Attn: James F. Evert, Esq.
Tax Identification Number	22-1211670

Purchaser Name	**PRUCO LIFE INSURANCE COMPANY**
Name in Which Notes are to be Registered	PRUCO LIFE INSURANCE COMPANY
Note Registration Numbers; Principal Amounts	R-3 $9,300,000
Payment on Account of Note	Federal Funds Wire Transfer
Method	JPMorgan Chase Bank New York, NY
Account Information	ABA No.: 021-000-021 Account No.: P86192 (please do not include spaces) Account Name: Pruco Life Private Placement Re: (see "Accompanying Information" below)
Accompanying Information	Name of Company: Encore Capital Group, Inc. Description of Security: 7.75% Senior Secured Notes due 2017 PPN: 292554 A*3 Each such wire transfer shall also set forth the due date and application (as among principal, interest, and Make-Whole Amount, if any) of the payment being made.
Address for Notices Related to Payments	Pruco Life Insurance Company c/o The Prudential Insurance Company of America c/o Investment Operations Group Gateway Center Two, 10th Floor 100 Mulberry Street Newark, NJ 07102-4077 Attn: Manager, Billings and Collections <u>with telephonic prepayment notices to</u>: Manager, Trade Management Group Tel: (973) 367-3141 Fax: (800) 224-2278
Address for All Other Notices	The Prudential Insurance Company of America c/o Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, California 94111-4180 Attn: Managing Director Fax: 415-421-6233

Purchaser Name	**PRUCO LIFE INSURANCE COMPANY**
Other Instructions	PRUCO LIFE INSURANCE COMPANY By: _____ Name: Title:
Instructions re Delivery of Notes	Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, CA 94111-4180 Attn: James F. Evert, Esq.
Tax Identification Number	22-1944557

Purchaser Name	**PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY**
Name in Which Notes are to be Registered	PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY
Note Registration Numbers; Principal Amounts	R-4 $ 6,950,000 RR-2 $10,000,000 RR-3 $ 1,000,000
Payment on Account of Note	
Method	Federal Funds Wire Transfer
Account Information	JPMorgan Chase Bank New York, NY ABA No.: 021-000-021 Account No.: P86329 (please do not include spaces) in the case of each of Note R-4 in the original principal amount of $6,950,000 and Note RR-2 in the original principal amount of $10,000,000 Account No.: P86345 (please do not include spaces) in the case of Note RR-3 in the original principal amount of $1,000,000 Re: (See "Accompanying Information" below)
Accompanying Information	Name of Company: Encore Capital Group, Inc. Description of Security: 7.75% Senior Secured Notes due 2017 PPN: 292554 A*3 Name of Company: Encore Capital Group, Inc. Description of Security: 7.375% Senior Secured Notes due 2018 PPN: 292554 A@1 Each such wire transfer shall also set forth the due date and application (as among principal, interest, Make-Whole Amount, if any) of the payment being made.

Purchaser Name	**PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY**
Address for Notices Related to Payments	Prudential Retirement Insurance and Annuity Company c/o Prudential Investment Management, Inc. Private Placement Trade Management PRIAC Administration Gateway Center Four, 7th Floor 100 Mulberry Street Newark, NJ 07102 with telephonic prepayment notices to: Manager, Trade Management Group Tel: (973) 802-8107 Fax: (888) 889-3832
Address for All Other Notices	Prudential Retirement Insurance and Annuity Company c/o Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, California 94111-4180 Attn: Managing Director Fax: 415-421-6233
Other Instructions	PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY By: Prudential Investment Management, Inc., investment manager By: _____ Name: Title:
Instructions re Delivery of Notes	Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, CA 94111-4180 Attn: James F. Evert, Esq.
Tax Identification Number	06-1050034

Purchaser Name	**PRUDENTIAL ANNUITIES LIFE ASSURANCE CORPORATION**
Note Registration Number; Principal Amount	R-5: $4,000,000
Payment on Account of Note	Federal Funds Wire Transfer
Method	JPMorgan Chase Bank New York, NY
Account Information	ABA # 021-000-021 Acct. # P86259 (please do not include spaces) Acct Name: American Skandia Life - Private Placements
	Re: (See "Accompanying Information" below)
Accompanying Information	Name of Obligors: Encore Capital Group, Inc. Description of Security: 7.75% Senior Secured Notes due 2017 PPN: 292554 A*3
	Due date and application (as among principal, Make-Whole Amount and interest) of the payment being made.
Address for Notices Related to Payments	The Prudential Insurance Company of America c/o Investment Operations Group Gateway Center Two, 10th Floor 100 Mulberry Street Newark, NJ 07102-4077
	Attention: Manager, Billings and Collections
Address for All Other Notices	The Prudential Insurance Company of America c/o Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, CA 94111-4180 Attn: Managing Director
	Fax: 415-421-6233
Recipient of telephonic prepayment notices	Manager, Trade Management Group
	Tel: (973) 367-3141
	Fax: (888) 889-3832

Purchaser Name	**PRUDENTIAL ANNUITIES LIFE ASSURANCE CORPORATION**
Instructions re Delivery of Notes	Send physical security by nationwide overnight delivery service to: Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, CA 94111 Attn: James F. Evert, Esq.
Tax Identification Number	06-1241288

SCHEDULE B

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"**Accounts**" means and includes all of the Company's and each Restricted Subsidiary's presently existing and hereafter arising or acquired accounts, accounts receivable, and all present and future rights of the Company or such Restricted Subsidiary to payment for goods sold or leased or for services rendered (except those evidenced by instruments or chattel paper), whether or not they have been earned by performance, and all rights in any merchandise or goods which any of the same may represent, and all rights, title, security and guarantees with respect to each of the foregoing, including, without limitation, any right of stoppage in transit.

"**Acquisition**" means any transaction or any series of related transactions, other than a Permitted Restructuring or purchases or acquisitions of Receivables Portfolios in the ordinary course of business, consummated on or after the Closing Date, by which the Company or any of its Restricted Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise, or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage of voting power) of the outstanding ownership interests of a partnership or limited liability company of any Person; provided, however, that the following shall not be considered "Acquisitions": (a) any asset purchase consisting solely of Receivables Portfolios, and (b) the purchase of stock of an entity (1) the assets of which consist solely of Receivables, (2) which has not engaged in the conduct of business and (3) which has no Indebtedness.

"**Acquisition Pro Forma**" is defined in Section 10.4.3(vi).

"**Adjusted Available Aggregate Revolving Loan Commitment**" has the meaning specified in the Credit Agreement as of the date hereof.

"**Advance Rate**" means, for the period commencing on the Amendment No. 2 Effective Date to the first Advance Rate Measurement Date, 33%, and, thereafter, for the period from (but not including) each Advance Rate Measurement Date to the immediately succeeding Advance Rate Measurement Date, the percentage obtained by subtracting from the Advance Rate in effect immediately prior to the first day of such period the difference (the "Cost Differential", and which may be a positive or negative number) between:

(a) the average "Cost Per Total Dollar Collected" percentage as shown on the Company's consolidated financial statements for the most recent four consecutive fiscal quarters (for which financial statements have been delivered in accordance with Section 7.1.1 or Section 7.1.2) ending on or before such Advance Rate Measurement Date; and

(b) the average "Cost Per Total Dollar Collected" percentage as shown on the Company's consolidated financial statements for the most recent four consecutive fiscal quarters (for which financial statements have been delivered in accordance with Section 7.1.1 or Section 7.1.2) ending on or before the Advance Rate Measurement Date immediately preceding such Advance Rate Measurement Date;

provided that if the resulting Cost Differential includes a fractional amount, the fractional portion thereof shall be ignored when determining the Cost Differential on the applicable Advance Rate Measurement Date but shall be added (or subtracted, as applicable) to the Cost Differential obtained on the following Advance Rate Measurement Date (with any resulting fractional portion again being ignored and added (or subtracted, as applicable) subsequently); provided further that, except as set forth in the immediately following proviso, in no event shall the Advance Rate ever be lower than 30% or higher than 35% and provided further that the Advance Rate to be applied with respect to the Estimated Remaining Collections from Debtor Receivables shall in all events be 55%. The Company shall set forth in reasonable detail the calculations of the Advance Rate on each compliance certificate delivered pursuant to Section 7.1.4.

"**Advance Rate Measurement Date**" means each date on which the Company's financial statements required to be delivered pursuant to Section 7.1.1 or Section 7.1.2 have been filed with the Securities and Exchange Commission.

"**Affiliate**" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of 10% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting securities, by contract or otherwise.

"**Affiliated Entity**" means the Subsidiaries of the Company and any of their or the Company's respective Controlled Affiliates.

"**Aggregate Outstanding Revolving Credit Exposure**" has the meaning specified in the Credit Agreement as of the date hereof for the term "Aggregate Revolving Credit Exposure."

"**Aggregate Revolving Commitment**" has the meaning specified in the Credit Agreement as of the date hereof.

"**Agreement**" means this Second Amended and Restated Senior Secured Note Purchase Agreement, dated as of May 9, 2013, between the Company, on the one hand, and the Purchasers, on the other hand, as it may from time to time be amended, supplemented or otherwise modified.

"**Agreement Accounting Principles**" means generally accepted accounting principles as in effect in the United States from time to time, applied in a manner consistent with that used in preparing the financial statements of the Company referred to in Section 5.4; provided, that "Agreement Accounting Principles" shall exclude the effects of Accounting Standards Codification 825-10-25 (previously referred to as SFAS 159) or any successor or similar provision to the extent it relates to "fair value" accounting for liabilities.

"**Amendment No. 2 Effective Date**" means November 5, 2012.

"**Amortized Collections**" means, for any period, the aggregate amount of collections from receivable portfolios (including that portion attributable to sales of receivables) of the Company and its Restricted Subsidiaries calculated on a consolidated basis for such period, in accordance with Agreement Accounting Principles, that are not included in consolidated revenues by reason of the application of such collections to principal of such receivable portfolios (for purposes of illustration only, the Amortized Collections have been most recently identified in the amount of $187,726,000 as the aggregate of "Collections applied to investment of receivable portfolios, net" and "Provision for impairment on receivable portfolios, net" in the Company's consolidated statement of cash flows for the period ended December 31, 2009 as reflected in the Company's Form 10-K for such period).

"**Applicable Pledge Percentage**" means 100%, but 65% in the case of a pledge of capital stock of a Foreign Subsidiary to the extent a 100% pledge would cause a Deemed Dividend Problem or a Financial Assistance Problem.

"**Asset Acceptance Acquisition**" means the acquisition by the Company of Asset Acceptance Capital Corp., a Delaware corporation, for a Purchase Price in an amount not to exceed $480,000,000.

"**Asset Acceptance Merger Agreement**" means that certain Agreement and Plan of Merger dated as of March 6, 2013 among the Company, Pinnacle Sub, Inc. and Asset Acceptance Capital Corp, together with all schedules and exhibits thereto.

"**Asset Sale**" means, with respect to the Company or any Restricted Subsidiary, the sale, lease, conveyance, disposition or other transfer by such Person of any of its assets (including by way of a Sale and Leaseback Transaction, and including the sale or other transfer of any of the capital stock or other equity interests of such Person or any Restricted Subsidiary of such Person) to any Person other than the Company or any of its Wholly-Owned Subsidiaries other than (i) the sale of Receivables in the ordinary course of business, (ii) the sale or other disposition of any obsolete, excess, damaged or worn-out Equipment disposed of in the ordinary course of business, (iii) leases of assets in the ordinary course of business consistent with past practice, and (iv) sales or dispositions of assets outside the ordinary course of business with an aggregate fair market value not to exceed, during the term of this Agreement, $20,000,000.

"**Authorized Officer**" means any of the President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Treasurer, Assistant Treasurer or Controller of the Company, or such other officer of the Company as may be designated by the Company in writing to the holders of Notes from time to time, acting singly.

"**Blocked Person**" is defined in Section 5.20.

"**Blocked Propel Subsidiary**" means any Subsidiary of Propel Acquisition LLC which is subject to any of the encumbrances or restrictions described in Section 10.9.

"**Borrowing Base**" means, as of any date of calculation, an amount, as set forth on the most current Borrowing Base Certificate delivered to the holders of Notes on or prior to such date, equal to (i) the lesser of: (1) the Advance Rate of Estimated Remaining Collections (exclusive of any Receivables in any Receivables Portfolio that are not Eligible Receivables) as of the last day of the month for which such Borrowing Base Certificate was provided; and (2) the product of the net book value of all Receivables Portfolios acquired by any Credit Party on or after January 1, 2005 multiplied by 95%, minus (ii) the sum of (x) the aggregate principal amount outstanding in respect of the Notes plus (y) the aggregate principal amount outstanding in respect of the Term Loans (as defined in the Credit Agreement); provided, however, that, for purposes of calculating the amount specified in clause (1) above (the "**Total ERC Amount**"), the Advance Rate of Estimated Remaining Collections attributable to Debtor Receivables shall not at any time exceed an amount equal to 35% of the Total ERC Amount (without regard to this proviso).

"**Borrowing Base Certificate**" means a certificate, in substantially the form of Exhibit E hereto, setting forth the Borrowing Base and the component calculations thereof.

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City or Toronto, Ontario are required or authorized to be closed.

"**Capital Expenditures**" means, without duplication, any expenditures for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of the Company and its Restricted Subsidiaries prepared in accordance with Agreement Accounting Principles, but excluding, solely for the fiscal year in which each Acquisition is consummated, any such expenditures of any Person or business acquired pursuant to such Acquisition.

"**Capitalized Lease**" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"**Capitalized Lease Obligations**" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"**Cash Equivalent Investments**" means (i) short-term obligations of, or fully guaranteed by, the United States of America, (ii) commercial paper rated A-1 or better by S&P or P-1 or better by Moody's, (iii) demand deposit accounts maintained in the ordinary course of business, and (iv) certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) having capital and surplus in excess of $100,000,000; provided in each case that the same provides for payment of both principal and interest (and not principal alone or interest alone) and is not subject to any contingency regarding the payment of principal or interest.

"**Cash Flow Leverage Ratio**" is defined in Section 10.12.1.

"**Change of Control**" means: (i) the acquisition by any Person, or two or more Persons acting in concert (other than Red Mountain Capital Partners LLC, JCF FPK I LP or any affiliate

thereof), of beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Securities Exchange Act of 1934) of 30% or more of the outstanding shares of voting stock of the Company; (ii) other than pursuant to a transaction permitted hereunder, the Company shall cease to own, directly or indirectly and free and clear of all Liens or other encumbrances, all of the outstanding shares of voting stock of the Guarantors on a fully diluted basis; (iii) the majority of the Board of Directors of the Company fails to consist of Continuing Directors; or (iv) the acquisition by Red Mountain Capital Partners LLC, JCF FPK I LP and/or any affiliate of either of them and/or any other Persons acting in concert with any of the foregoing Persons described in this clause (iv) of beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act) of greater than 50% of the outstanding shares of voting stock of the Company. No Permitted Restructuring shall constitute a Change of Control.

"**Closing Date**" means the date when the conditions precedent in Section 4 of this Agreement have been satisfied.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"**Collateral**" means all Property and interests in Property now owned or hereafter acquired by the Company or any of its Restricted Subsidiaries in or upon which a security interest, lien or mortgage is granted (or is required to be granted pursuant to the terms hereof) in favor of the Collateral Agent pursuant to the Collateral Documents, on behalf of itself and the Secured Parties, to secure the Secured Obligations.

"**Collateral Agent**" means SunTrust Bank in its capacity as collateral agent for the Secured Parties and any successor collateral agent appointed pursuant to the terms of the Intercreditor Agreement.

"**Collateral Documents**" means all agreements, instruments and documents executed in connection with this Agreement that are intended to create or evidence Liens to secure the Secured Obligations, including, without limitation, the Pledge and Security Agreement, the Intellectual Property Security Agreements, the Mortgages and all other security agreements, mortgages, deeds of trust, loan agreements, notes, guarantees, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, fee letters, notices, leases, financing statements and all other written matter whether heretofore, now, or hereafter executed by the Company or any of its Restricted Subsidiaries and delivered to the Collateral Agent, on behalf of itself and the Secured Parties to secure the Secured Obligations.

"**Company**" is defined in the introductory paragraph.

"**Consolidated EBIT**" means Consolidated Net Income plus, to the extent deducted from revenues in determining Consolidated Net Income, (i) Consolidated Interest Expense (whether actual or contingent), (ii) expense for taxes paid or accrued and (iii) any extraordinary losses minus, to the extent included in Consolidated Net Income, (a) interest income, (b) any extraordinary gains, (c) the income of any Person (1) in which any Person other than the Company or any of its Restricted Subsidiaries has a joint interest or a partnership interest or other ownership interest, and (2) to the extent the Company or any of its Restricted Subsidiaries

does not control the board of directors or other governing body of such Person or otherwise does not control the declaration of a dividend or other distribution by such Person, except in each case to the extent of the amount of dividends or other distributions actually paid to the Company or any of its Restricted Subsidiaries by such Person during the relevant period, and (d) the income of any Restricted Subsidiary of the Company to the extent that the declaration or payment of dividends or distributions (including via intercompany advances or other intercompany transactions but in each case up to and not exceeding the amount of such income) by that Restricted Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary, all calculated for the Company and its Restricted Subsidiaries on a consolidated basis.

"**Consolidated EBITDA**" means Consolidated Net Income plus, (1) to the extent not included in such revenue, Amortized Collections, and (2) to the extent deducted from revenues in determining Consolidated Net Income, (i) Consolidated Interest Expense (whether actual or contingent), (ii) expense for taxes paid or accrued, (iii) depreciation expense, (iv) amortization expense, (v) any extraordinary losses, and (vi) non-cash charges arising from compensation expense as a result of the adoption of amendments to Agreement Accounting Principles requiring certain stock based compensation to be recorded as an expense within the Company's consolidated statement of operations, minus, to the extent included in Consolidated Net Income, (a) interest income, (b) any extraordinary gains, (c) the income of any Person (1) in which any Person other than the Company or any of its Restricted Subsidiaries has a joint interest or a partnership interest or other ownership interest, and (2) to the extent the Company or any of its Restricted Subsidiaries does not control the board of directors or other governing body of such Person or otherwise does not control the declaration of a dividend or other distribution by such Person, except in each case to the extent of the amount of dividends or other distributions actually paid to the Company or any of its Restricted Subsidiaries by such Person during the relevant period, and (d) the income of any Restricted Subsidiary of the Company to the extent that the declaration or payment of dividends or distributions (including via intercompany advances or other intercompany transactions but in each case up to and not exceeding the amount of such income) by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, all calculated for the Company and its Restricted Subsidiaries on a consolidated basis.

"**Consolidated Funded Indebtedness**" means at any time the aggregate dollar amount of Consolidated Indebtedness which has actually been funded and is outstanding at such time, whether or not such amount is due or payable at such time.

"**Consolidated Indebtedness**" means, at any time, the Indebtedness of the Company and its Restricted Subsidiaries that would be reflected on a consolidated balance sheet of the Company prepared in accordance with Agreement Accounting Principles as of such time.

"**Consolidated Interest Expense**" means, with reference to any period, the interest expense and contingent interest expense of the Company and its Restricted Subsidiaries (including that portion attributable to Capital Leases) calculated on a consolidated basis for such period, in accordance with Agreement Accounting Principles.

"**Consolidated Net Income**" means, with reference to any period, the net income (or loss) of the Company and its Restricted Subsidiaries calculated on a consolidated basis for such period in accordance with Agreement Accounting Principles. For the avoidance of doubt, Consolidated Net Income shall exclude any and all income and other amounts attributable to any Unrestricted Subsidiary (other than the amount of any cash dividends or other cash distributions actually paid during the reference period to the Company or any of its Restricted Subsidiaries by an Unrestricted Subsidiary).

"**Consolidated Net Worth**" means at any time, with respect to any Person, the consolidated stockholders' equity of such Person and its Restricted Subsidiaries calculated on a consolidated basis in accordance with Agreement Accounting Principles.

"**Consolidated Rentals**" means, with reference to any period, the Rentals of the Company and its Restricted Subsidiaries calculated on a consolidated basis for such period in accordance with Agreement Accounting Principles.

"**Consolidated Tangible Assets**" means Consolidated Total Assets minus any Intangible Assets.

"**Consolidated Tangible Net Worth**" means at any time, with respect to any Person, the consolidated stockholders' equity of such Person and its Restricted Subsidiaries calculated on a consolidated basis in accordance with Agreement Accounting Principles minus any Intangible Assets.

"**Consolidated Total Assets**" means the total assets of the Company and its Restricted Subsidiaries calculated on a consolidated basis in accordance with Agreement Accounting Principles.

"**Contingent Obligation**" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

"**Continuing Director**" means, with respect to any Person as of any date of determination, any member of the board of directors of such Person who (i) was a member of such board of directors on the Closing Date, or (ii) was nominated for election or elected to such board of directors with the approval of the required majority of the Continuing Directors who were members of such board at the time of such nomination or election.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. "**Controlling**" and "**Controlled**" have meanings correlative thereto.

"**Credit Agreement**" means that certain Amended and Restated Credit Agreement, dated as of the Amendment No. 2 Effective Date, by and among the Company, the Lenders and the other Persons party thereto and SunTrust Bank, as administrative agent thereunder, as amended, amended and restated, supplemented, refinanced, replaced or otherwise modified from time to time.

"**Credit Party**" means, at any time, any of the Company and any Person which is a Guarantor at such time.

"**Debtor Receivables**" means a Receivable the obligor on which is subject to bankruptcy or similar proceedings.

"**Deemed Dividend Problem**" means, with respect to any Foreign Subsidiary, such Foreign Subsidiary's accumulated and undistributed earnings and profits being deemed to be repatriated to the Company or the applicable parent Domestic Subsidiary for U.S. federal income tax purposes and the effect of such repatriation causing adverse tax consequences to the Company or such parent Domestic Subsidiary, in each case as determined by the Company in its commercially reasonable judgment acting in good faith and in consultation with its legal and tax advisors.

"**Default**" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"**Default Rate**" means (i) as to any 2010 Note, that rate of interest that is the greater of (a) 9.75% per annum and (b) 2% over the rate of interest publicly announced by JPMorgan Chase Bank in New York, New York as its "base" or "prime" rate, and (ii) as to any 2011 Note, that rate of interest that is the greater of (a) 9.375% per annum and (b) 2% over the rate of interest publicly announced by JPMorgan Chase Bank in New York, New York as its "base" or "prime" rate.

"**Disqualified Stock**" means any capital stock or other equity interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the final maturity of the Notes.

"**Dollars**" and "**$**" means lawful currency of the United States of America.

"**Domestic Subsidiary**" means any Restricted Subsidiary of any Person organized under the laws of a jurisdiction located in the United States of America.

"**Eligible Receivables**" of any Credit Party shall mean, as of any date of determination, (i) Receivables owned by a Credit Party as of the Closing Date, which Receivables were included in the Borrowing Base under the Credit Agreement as of the Closing Date, and (ii) Receivables purchased by a Credit Party on or after the Closing Date to the extent such Receivable is owned, or to be purchased by such Credit Party by applying the proceeds of an existing Credit Extension (as defined in the Credit Agreement as of the date hereof) within five (5) Business Days of the making of such Credit Extension, and in the case of both (i) and (ii) that

is payable in Dollars and in which the Collateral Agent has, or upon purchase by such Credit Party, will have, for the benefit of the Secured Parties, a first-priority perfected security interest pursuant to the Collateral Documents, other than any such Receivable:

(a) that is not an existing obligation for which sufficient consideration has been given;

(b) with respect to which such Credit Party does not (or will not, upon the closing of the relevant purchase thereof) have good and marketable title pursuant to a legal, valid and binding bill of sale or purchase agreement entered into by such Credit Party or assignment to such Credit Party;

(c) that has been repurchased by, or returned or put back to, the Person from whom such Credit Party acquired such Receivable and such Receivable has not subsequently been replaced with a new Receivable of at least comparable value acquired from such Person;

(d) all or any portion of which is subject to any Lien (except the Lien in favor of the Collateral Agent under the Collateral Documents);

(e) that is due from or has been originated by any Restricted Subsidiary or Encore Affiliate;

(f) that is not a type of collateral for which a security interest can be perfected by filing pursuant to Article 9 of the Uniform Commercial Code as then in effect in the State of New York; and

(g) that is owed by (i) the government (or any department, agency, public corporation, or instrumentality thereof) of any country other than the United States of America unless such Receivable is backed by a letter of credit acceptable to the Required Holders which is in the possession of the Collateral Agent, or (ii) the government of the United States of America, or any department, agency, public corporation, or any agency or instrumentality thereof, including any agency or instrumentality which is obligated to make payment with respect to Medicare, Medicaid or other Receivables representing amounts owing under any other program established by federal, state, county, municipal or other local law which requires that payments for healthcare services be made to the provider of such services in order to comply with any applicable "anti-assignment" provisions, provider agreement or federal, state, county, municipal or other local law, rule or regulation.

"**Encore Affiliate**" means any Person directly or indirectly controlling, controlled by or under common control with the Company. A Person shall be deemed to control another Person if the controlling Person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of 10% or more of any class of voting securities (or other ownership interests) of the controlled Person and possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting securities, by contract or otherwise.

"**Environmental Laws**" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions,

permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

"**Equipment**" means all of the Company's and each Restricted Subsidiary's present and future (i) equipment, including, without limitation, machinery, manufacturing, distribution, data processing and office equipment, assembly systems, tools, molds, dies, fixtures, appliances, furniture, furnishings, vehicles, vessels, aircraft, aircraft engines, and trade fixtures, (ii) other tangible personal property (other than inventory), and (iii) any and all accessions, parts and appurtenances attached to any of the foregoing or used in connection therewith, and any substitutions therefor and replacements, products and proceeds thereof.

"**Equipment Financing Transactions**" means the secured equipment financing arrangements of the Credit Parties set forth on Schedule 10.5.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company or a Subsidiary under section 414 of the Code.

"**Estimated Remaining Collections**" means, as of any date, the aggregate amount of gross remaining cash collections which any Credit Party anticipates to receive from a Receivables Portfolio or as otherwise referred to by the Company as the total amount of "Estimated Remaining Gross Collections", determined and reported by the Company pursuant to its financial statements and other reporting to the holders of Notes as described in Section 7.1 (it being understood and agreed that (i) such amount shall be calculated by the Company in accordance with Agreement Accounting Principles and in a manner consistent with the Company's past practice and with the methodology used in the reporting of Estimated Remaining Collections in the Company's public filings with the SEC, (ii) the manner and method of computing Estimated Remaining Collections and all assumptions made in connection therewith shall be explained to each holder of Notes in reasonably full detail upon such holder's request, and (iii) any deviation from the current method and assumptions used in computing Estimated Remaining Collections is subject to approval by the Required Holders in their discretion).

"**Event of Default**" is defined in Section 11.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**Excluded Subsidiaries**" means each Unrestricted Subsidiary.

"**Fair Market Value**" means, with respect to any asset or group of assets on any date of determination, the price in cash obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as reasonably determined in good faith by the Company.

"**Financial Assistance Problem**" means, with respect to any Foreign Subsidiary, the inability of such Foreign Subsidiary to become a Guarantor or to permit its capital stock from being pledged pursuant to a pledge agreement on account of legal or financial limitations imposed by the jurisdiction of organization of such Foreign Subsidiary or other relevant jurisdictions having authority over such Foreign Subsidiary, in each case as determined by the Company in its commercially reasonable judgment acting in good faith and in consultation with its legal and tax advisors.

"**Financial Contract**" of a Person means (i) any exchange-traded or over-the-counter futures, forward, swap or option contract or other financial instrument with similar characteristics, or (ii) any Rate Management Transaction; provided that any Permitted Indebtedness Hedge shall not be a Financial Contract so long as such Permitted Indebtedness Hedge relates to capital stock of the Company.

"**First Tier Foreign Subsidiary**" means each Foreign Subsidiary with respect to which any one or more of the Company and its Domestic Subsidiaries directly owns or controls more than 50% of such Foreign Subsidiary's issued and outstanding equity interests.

"**Foreign Subsidiary**" means any Restricted Subsidiary of any Person which is not a Domestic Subsidiary of such Person.

"**Governmental Authority**" means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"**Guarantor**" means each Restricted Subsidiary of the Company which is a party to the Multiparty Guaranty, including each Restricted Subsidiary of the Company which becomes a party to the Multiparty Guaranty pursuant to a joinder or other supplement thereto including in connection with a requirement to become a Guarantor pursuant to the terms hereof.

"**holder**" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

"**Hostile Tender Offer**" means, with respect to the use of proceeds of any of the Notes, any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over-the-counter market, other than purchases of such shares, equity interests, securities or rights representing less than 5% of the equity interests or beneficial ownership of such corporation or other entity for portfolio investment purposes, and such offer or purchase has not been duly approved by the board of directors of such corporation or the equivalent governing body of such other entity.

"**Immaterial Subsidiary**" means, as of any date of determination, any Restricted Subsidiary of the Company (x) whose consolidated tangible assets (as set forth in the most recent consolidated balance sheet of the Company and its Restricted Subsidiaries delivered to the holders of the Notes pursuant to this Agreement and computed in accordance with Agreement Accounting Principles), when added to the consolidated tangible assets of all other Immaterial Subsidiaries (as set forth in the most recent consolidated balance sheet of the Company and its Restricted Subsidiaries delivered to the holders of the Notes pursuant to this Agreement and computed in accordance with Agreement Accounting Principles), do not constitute more than 5.0% of the Consolidated Tangible Assets and (y) whose consolidated net revenue, when added to the consolidated net revenue attributable to all other Immaterial Subsidiaries, does not constitute more than 5.0% of consolidated net revenue of the Company and its Restricted Subsidiaries (in each case, as determined for the four fiscal quarter period most recently ended for which financial statements have been delivered to the holders of the Notes pursuant to this Agreement).

"**including**" means, unless the context clearly requires otherwise, "including without limitation."

"**Indebtedness**" of a Person means, at any time, without duplication, such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (other than current accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, bonds, debentures, acceptances, or other instruments, (v) obligations to purchase securities or other Property arising out of or in connection with the sale of the same or substantially similar securities or Property, (vi) Capitalized Lease Obligations, (vii) Contingent Obligations of such Person, (viii) reimbursement obligations under letters of credit, bankers' acceptances, surety bonds and similar instruments, (ix) Off-Balance Sheet Liabilities, (x) obligations under Sale and Leaseback Transactions, (xi) Net Mark-to-Market Exposure under Rate Management Transactions and other Financial Contracts, (xii) Rate Management Obligations and (xiii) any other obligation for borrowed money which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person.

"**Indemnity and Contribution Agreement**" means the Indemnity and Contribution Agreement, dated as of September 20, 2010, by and among each of the Credit Parties in the form of Exhibit B-2, as amended, restated, supplemented or otherwise modified from time to time.

"**Institutional Investor**" means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its Affiliates) more than 5% of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

"**Intangible Assets**" means the aggregate amount, for the Company and its Restricted Subsidiaries on a consolidated basis, of: (1) all assets classified as intangible assets under Agreement Accounting Principles, including, without limitation, goodwill, trademarks, patents, copyrights, organization expenses, franchises, licenses, trade names, brand names, mailing lists, catalogs, excess of cost over book value of assets acquired, and bond discount and underwriting expenses; (2) loans or advances to, investments in, or receivables from (i) Encore Affiliates, officers, directors, employees or shareholders of the Company or any Restricted Subsidiary, or (ii) any Person if such loan, advance, investment or receivable is outside the Company's or any Restricted Subsidiary's normal course of business; and (3) prepaid expenses; provided that Intangible Assets shall not include deferred court costs, deferred tax assets, deposits under state workers compensation programs and assets of the Company's excess deferred compensation plan.

"**Intellectual Property Security Agreements**" means the amended and restated intellectual property security agreements executed by the applicable Credit Parties on the Amendment No. 2 Effective Date and such intellectual property security agreements as any Credit Party may from time to time after the Amendment No. 2 Effective Date make in favor of the Collateral Agent for the benefit of the Secured Parties, in each case as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Intercreditor Agreement**" means the Amended and Restated Intercreditor Agreement, dated as of the Amendment No. 2 Effective Date, among the Collateral Agent, the holders of the Notes and the Agent named therein, as amended, restated, supplemented or otherwise modified from time to time.

"**Investment**" of a Person means any loan, advance (other than commission, travel and similar advances to officers, employees made in the ordinary course of business), extension of credit (other than Accounts arising in the ordinary course of business, but including Contingent Obligations with respect to any obligation or liability of another Person) or contribution of capital by such Person; stocks, bonds, mutual funds, partnership interests, notes, debentures or other securities owned by such Person; any deposit accounts and certificate of deposit owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person. No Permitted Restructuring shall constitute an Investment.

"**Lenders**" means the several lenders from time to time party to the Credit Agreement in their capacities as such.

"**Lien**" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement, and, in the case of stock, stockholders agreements, voting trust agreements and all similar arrangements).

"**Majority of the Combined Banks and Noteholders**" means, at any time of determination, greater than 50% of the aggregate principal amount outstanding of the Secured Obligations.

"**Make-Whole Amount**" is defined in Section 8.7.

"**Mandatory Credit Agreement Prepayment**" means any mandatory prepayment or repayment required to be made prior to the Revolving Loan Termination Date under, and as defined as of the date hereof in, the Credit Agreement pursuant to terms or provisions thereof which become effective after September 20, 2010.

"**Material**" means material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Company and its Subsidiaries taken as a whole.

"**Material Acquisition**" is defined in Section 10.12.1.

"**Material Adverse Effect**" means a material adverse effect on (i) the business, Property, condition (financial or otherwise), operations or results of operations of the Company, or the Company and its Restricted Subsidiaries taken as a whole, (ii) the ability of the Company or any Restricted Subsidiary to perform its obligations under the Transaction Documents, or (iii) the validity or enforceability of any of the Transaction Documents or the rights or remedies of the Collateral Agent or the holders of Notes thereunder or their rights with respect to the Collateral.

"**Material Disposition**" is defined in Section 10.12.1.

"**Material Indebtedness**" means any Indebtedness of the Company or any Restricted Subsidiary in an outstanding principal amount of $10,000,000 or more in the aggregate (or the equivalent thereof in any currency other than Dollars).

"**Medicaid**" means the medical assistance program established by Title XIX of the Social Security Act (42. U.S.C. §§ 1396 ET SEQ.) and any successor or similar statutes, as in effect from time to time.

"**Medicare**" means the health insurance program for the aged and disabled established by Title XVIII of the Social Security Act (42 U.S.C. §§ 1395 ET SEQ.) and any successor or similar statutes as in effect from time to time.

"**Minority Investment**" of a Person (the "**investing person**") means an Investment by the investing person in capital stock of another Person (the "**target person**") where the target person is not, and immediately following such Investment does not become, a Subsidiary of the investing person.

"**Mortgage**" means each of those certain mortgages and deeds of trust as are entered into by the Credit Parties pursuant hereto or in connection herewith, in each case as amended, restated, supplemented or otherwise modified from time to time.

"**Mortgage Instruments**" means such title reports, title insurance, opinions of counsel, surveys, appraisals and environmental reports as are requested by, and in form and substance reasonably acceptable to, the Required Holders from time to time.

"**Mortgaged Properties**" means each Credit Party's real Property with a book value equal to or in excess of $1,000,000.

"**Most Favored Covenants**" is defined in Section 9.9.

"**Multiemployer Plan**" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"**Multiparty Guaranty**" means the Multiparty Guaranty, dated as of September 20, 2010, made by each of the Guarantors in favor of the holders from time to time of the Notes in the form of Exhibit B-1, as amended, restated, supplemented or otherwise modified from time to time.

"**NAIC**" means the National Association of Insurance Commissioners or any successor thereto.

"**Net Cash Proceeds**" means, with respect to any sale or other disposition of Property of the Company or any Restricted Subsidiary by any Person, cash (freely convertible into Dollars) received by such Person or any Restricted Subsidiary of such Person from such disposition of Property (including cash received as consideration for the assumption or incurrence of liabilities incurred in connection with or in anticipation of such disposition of Property), or conversion to cash of non-cash proceeds (whether principal or interest, release of escrow arrangements or otherwise) received from any such disposition of Property, in each case after (i) provision for all income or other taxes measured by or resulting from such disposition of Property, (ii) cash payment of all reasonable brokerage commissions and other fees and expenses related to such disposition of Property, and (iii) taking into account all amounts in cash used to repay Indebtedness secured by a Lien on any Property disposed of in such disposition of Property.

"**Net Mark-to-Market Exposure**" of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Rate Management Transactions. "**Unrealized losses**" means the fair market value of the cost to such Person of replacing such Rate Management Transaction as of the date of determination (assuming the Rate Management Transaction were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Rate Management Transaction as of the date of determination (assuming such Rate Management Transaction were to be terminated as of that date).

"**Notes**" is defined in the flush language at the end of Section 1.

"**Notice Event**" means:

(i) the execution by the Company or any Subsidiary or Affiliate of any agreement or letter of intent with respect to any proposed transaction or event or series of transactions or events which, individually or in the aggregate, may reasonably be expected to result in a Change of Control; or

(ii) the execution of any written agreement which, when fully performed by the parties thereto, would result in a Change of Control.

"**OFAC Listed Person**" is defined in Section 5.20.

"**Off-Balance Sheet Liability**" of a Person means the principal component of (i) any repurchase obligation or liability of such Person (excluding any such obligation or liability for disposition of Receivables), with respect to Accounts or notes receivable sold by such Person, (ii) any liability under any so-called "synthetic lease" or "tax ownership operating lease" transaction entered into by such Person, or (iii) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheets of such Person, but excluding from this clause (iii) all Operating Leases.

"**Officer's Certificate**" means a certificate of an Authorized Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

"**Operating Lease**" of a Person means any lease of Property (other than a Capitalized Lease) by such Person as lessee which has an original term (including any required renewals and any renewals effective at the option of the lessor) of one year or more.

"**Original Agreement**" means that certain Senior Secured Note Purchase Agreement, dated as of September 20, 2010 executed by the parties hereto.

"**PBGC**" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"**Pension Act**" means the Pension Protection Act of 2006, as amended from time to time and the rules and regulations promulgated thereunder from time to time in effect.

"**Pension Funding Rules**" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to certain Plans and set forth in, with respect to plan years ending prior to the effective date as to such Plan of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412 and 430 of the Code and Sections 302 and 303 of ERISA.

"**Permitted Acquisition**" is defined in Section 10.4.

"**Permitted Indebtedness**" means Indebtedness permitted by Section 10.5.15.

"**Permitted Foreign Subsidiary Investments/Loans**" means (i) Investments by any Credit Party in any Foreign Subsidiary, and (ii) Indebtedness arising from intercompany loans and advances made by any Credit Party to any Foreign Subsidiary; provided, that the purpose of such Investment or Indebtedness is the acquisition of Receivables.

"**Permitted Foreign Subsidiary Non-Recourse Indebtedness**" means Indebtedness of Foreign Subsidiaries, provided that (a) no Default or Event of Default exists at the time of or immediately after giving effect to the incurrence of such Indebtedness, (b) such Indebtedness is non-recourse at all times to the Company, the Guarantors and the Domestic Subsidiaries, (c) such Indebtedness does not benefit at any time from any direct or indirect guaranties or other credit support from the Company, any Guarantor or any Domestic Subsidiary, and (d) the total principal amount outstanding of such Indebtedness does not exceed 40% of Consolidated Tangible Net Worth at any time.

"**Permitted Indebtedness Hedge**" means any one or more derivative transactions (including the issuance by the Company of warrants on its capital stock and the purchase by the Company of an option on its capital stock) entered into concurrently with Permitted Indebtedness.

"**Permitted Purchase Money Indebtedness**" is defined in Section 10.5.4.

"**Permitted Restructuring**" means a transaction or series of transactions pursuant to which the Company or any Restricted Subsidiary sells, assigns or otherwise transfers Receivables and/or other assets between or among themselves, including transfers to or mergers or consolidations with, or voluntary dissolutions or liquidations into, newly created Wholly-Owned Subsidiaries of the Company or the Restricted Subsidiaries, subject to compliance with Sections 9.7 and 9.8; provided that (i) no Receivables or other assets of Excluded Subsidiaries shall be commingled with the assets of a Credit Party as a result of such Permitted Restructuring, (ii) no such transfers shall take place from a Credit Party to an Excluded Subsidiary or to any other Subsidiary that is not a Credit Party, and (iii) such transactions are effected for tax planning and related general corporate purposes.

"**Permitted Unsecured Indebtedness Repayment Event**" means (i) any Indebtedness permitted pursuant to Section 10.5.14 that has a scheduled final maturity or is subject to scheduled mandatory prepayment, redemption or defeasance prior to the scheduled final maturity of the Notes, and (ii) if such Indebtedness has not been refinanced in its entirety in compliance with the terms of this Agreement on or before the date that is 10 Business days prior to the date that is three months prior to the earliest of the date of the scheduled final maturity or any scheduled mandatory prepayment, redemption or defeasance of such Indebtedness.

"**Person**" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

"**PIM**" means Prudential Investment Management, Inc.

"**Plan**" means an "employee benefit plan" (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"**Pledge and Security Agreement**" means that certain Amended and Restated Pledge and Security Agreement, dated as of the Amendment No. 2 Effective Date, by and between the Credit Parties and the Collateral Agent for the benefit of the Secured Parties, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

"**Pledge Subsidiary**" means each Domestic Subsidiary and First Tier Foreign Subsidiary that is a Restricted Subsidiary.

"**Principal Credit Facility**" means any loan agreement, credit agreement, note purchase agreement, indenture or similar document under which credit facilities in the aggregate original principal or commitment amount of at least $20,000,000 are provided for.

"**Prior Agreement**" is defined in Section 1A.

"**Propel**" means Propel Financial Services, LLC, a Texas limited liability company.

"**Propel Acquisition**" means the acquisition by Propel Acquisition LLC of the Propel Group.

"**Propel Acquisition LLC**" means a Subsidiary of the Company that is a Delaware limited liability company formed for the purpose of acquiring the Propel Group.

"**Propel Group**" means Propel and its Subsidiaries and each other entity acquired by Propel Acquisition LLC as part of the same transaction as the acquisition of Propel.

"**Propel Indebtedness**" means the Indebtedness incurred by one or more Subsidiaries of Propel Acquisition LLC in connection with the Propel Acquisition and the on-going financing of the operations and business of such Subsidiaries of Propel Acquisition LLC.

"**Propel Principal Collections**" means the aggregate amount of collections of the Propel Group (but not constituting Amortized Collections) which are not included in the revenues of any member of the Propel Group by reason of the application of such collections to the principal of such receivables.

"**Property**" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"**Purchase Price**" means the total consideration and other amounts payable in connection with any Acquisition, including, without limitation, any portion of the consideration payable in cash, all Indebtedness, liabilities and contingent obligations incurred or assumed in connection with such Acquisition and all transaction costs and expenses incurred in connection with such Acquisition.

"**Purchasers**" is defined in the first paragraph of this Agreement.

"**Qualified Institutional Buyer**" means any Person who is a "qualified institutional buyer" within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

"**Ratable Share**" means, at any time, the aggregate principal amount of Notes outstanding at such time as a percentage of the sum of (x) the aggregate principal amount of Loans (as defined in the Credit Agreement as of the date hereof) outstanding at such time plus (y) the aggregate principal amount of Notes outstanding at such time.

"**Rate Management Obligations**" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Rate Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

"**Rate Management Transaction**" means any transaction (including an agreement with respect thereto) now existing or hereafter entered into by the Company or a Restricted Subsidiary which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures; provided that any Permitted Indebtedness Hedge shall not be a Rate Management Transaction so long as such Permitted Indebtedness Hedge relates to capital stock of the Company.

"**Receivable**" of any Person shall mean a right of such Person to the payment of money arising out of a consumer transaction, and which right was acquired by such Person with a group of similar rights.

"**Receivables Portfolio**" of a Person means any group of Receivables acquired by such Person as part of a single transaction.

"**Regulation U**" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks, non-banks and non-broker lenders for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"**Regulation X**" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by foreign lenders for the purpose of purchasing or carrying margin stock (as defined therein).

"**Related Fund**" means, with respect to any holder of any Note, any fund or entity that (i) invests in Securities or bank loans, and (ii) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

"**Rentals**" of a Person means the aggregate rent expense incurred by such Person under any Operating Lease.

"**Reportable Event**" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan subject to Title IV of ERISA, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or variance from the minimum funding standard allowed under Section 412(c) of the Code.

"**Required Holders**" means, at any time, the holder or holders of a majority of the aggregate principal amount of the Notes or of a Series of Notes, as the context may require, from time to time outstanding (exclusive of Notes then owned by the Company, any Subsidiary or any of their respective Affiliates).

"**Restricted Payment**" means (i) any dividend or other distribution, direct or indirect, on account of any equity interests of the Company or any of its Restricted Subsidiaries now or hereafter outstanding, except a dividend payable solely in such Person's capital stock (other than Disqualified Stock) or in options, warrants or other rights to purchase such capital stock, (ii) any redemption, retirement, purchase or other acquisition for value, direct or indirect, of any equity interests of the Company or any of its Restricted Subsidiaries now or hereafter outstanding, other than in exchange for, or out of the proceeds of, the substantially concurrent sale (other than to a Restricted Subsidiary of the Company) of other equity interests of the Company (other than Disqualified Stock), and (iii) any redemption, purchase, retirement, defeasance, prepayment or other acquisition for value, direct or indirect, of any Indebtedness prior to the stated maturity thereof, other than the Obligations (as defined in the Credit Agreement on the date hereof) and the obligations evidenced by the Notes and under the other Transaction Documents and the Equipment Financing Transactions.

"**Restricted Subsidiary**" means any Subsidiary that is not an Unrestricted Subsidiary. Unless explicitly set forth to the contrary, a reference to a "Restricted Subsidiary" means a Restricted Subsidiary of the Company.

"**Sale and Leaseback Transaction**" means any sale or other transfer of Property by any Person with the intent to lease such Property as lessee.

"**SEC**" means the Securities and Exchange Commission of the United States, or any successor thereto.

"**Secured Parties**" shall have the meaning specified in the Intercreditor Agreement.

"**Secured Obligations**" shall have the meaning specified in the Intercreditor Agreement.

"**Securities**" or "**Security**" shall have the meaning specified in Section 2(1) of the Securities Act.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**Series**" is defined in the flush language at the end of Section 1.

"**Subordinated Indebtedness**" of a Person means any Indebtedness (other than Indebtedness arising from intercompany loans and advances) of such Person the payment of which is subordinated to payment of the Secured Obligations.

"**Subordinated Indebtedness Documents**" means any document, agreement or instrument evidencing any Subordinated Indebtedness or entered into in connection with any Subordinated Indebtedness.

"**Subsidiary**" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Company.

"**Subsidiary Redesignation**" is defined in the definition of "Unrestricted Subsidiary."

"**SunTrust**" means SunTrust Bank, a Georgia banking corporation, in its individual capacity, and its successors.

"**SVO**" means the Securities Valuation Office of the National Association of Insurance Commissioners (or any successor organization acceding to the authority thereof).

"**Transaction Documents**" means this Agreement, the Notes, the Multiparty Guaranty, the Indemnity and Contribution Agreement, the Collateral Documents, the Intercreditor Agreement and all other documents, instruments and agreements executed in connection herewith or therewith or contemplated hereby or thereby, as the same may be amended, restated, supplemented or otherwise modified and in effect from time to time.

"**Unrestricted Subsidiary**" means (a) any Subsidiary designated by the Company as an "Unrestricted Subsidiary" hereunder by written notice to the holders of the Notes; provided that the Company shall only be permitted to so designate a Subsidiary as an Unrestricted Subsidiary if each of the following conditions is satisfied: (i) immediately before and after giving effect to such designation, (x) no Default or Event of Default shall have occurred and be continuing or shall exist and (y) the Company shall be in pro forma compliance with each of the covenants set forth in Sections 10.12 and 10.13 as of the last day of the most recently ended Fiscal Quarter for which financial statements have been delivered pursuant to Section 7.1.1 or Section 7.1.2, as applicable, together with the consolidating financial statements relating thereto required under Section 7.1.3 (after giving effect to such designation of such Subsidiary as an Unrestricted Subsidiary), (ii) no Subsidiary may be designated as an Unrestricted Subsidiary if, after giving effect to such designation, it (or any of its Subsidiaries) (x) would be a "Restricted Subsidiary" for the purpose of the Credit Agreement or any other Material Indebtedness of the Company or a Restricted Subsidiary pursuant to which a Subsidiary may be designated an "Unrestricted Subsidiary" or (y) would be a co-borrower or guarantor (or provide security or any other form of

credit enhancement) for the purpose of the Credit Agreement or any other Material Indebtedness of the Company or a Restricted Subsidiary, (iii) the designation of any Subsidiary as an Unrestricted Subsidiary shall constitute an Investment by the Company therein at the date of designation in an amount equal to the greater of (I) the portion (proportionate to the Company's direct or indirect equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary (and any Subsidiaries thereof) and (II) the Fair Market Value of the Company's direct or indirect equity interest in such Subsidiary, in each case at the time that such Subsidiary is designated an Unrestricted Subsidiary and the Company shall be permitted to make such Investment under Section 10.4.11, (iv) neither the Company nor any Restricted Subsidiary shall at any time be directly, indirectly or contingently liable for any Indebtedness or other liability of any Unrestricted Subsidiary, except to the extent the same would constitute a permitted Investment under Section 10.4.11, (v) any Subsidiary to be so designated does not (directly, or indirectly through its own Subsidiaries or otherwise) own any capital stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any Restricted Subsidiary, (vi) such designation shall have occurred after the date hereof (and, for the avoidance of doubt, each of the Subsidiaries of the Company shall initially be Restricted Subsidiaries, regardless of whether it is existing as of the date hereof or is thereafter formed or acquired, and shall remain a Restricted Subsidiary until designated as an Unrestricted Subsidiary in accordance with this definition), and (vii) the Company shall have delivered to the holders of the Notes an officer's certificate executed by a Responsible Officer of the Company, certifying compliance with each of the requirements of the preceding clauses (i) through (vi) and (b) any Subsidiary of an Unrestricted Subsidiary. The Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary for purposes of this Agreement (each, a "**Subsidiary Redesignation**"); provided that (A) immediately before and after such Subsidiary Redesignation, no Default or Event of Default shall have occurred and be continuing or shall exist, (B) the designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence at the time of such designation of any Indebtedness or Liens of such Subsidiary existing at such time, (C) the Company in shall be in pro forma compliance with each of the covenants set forth in Sections 10.12 and 10.13 as of the last day of the most recently ended Fiscal Quarter for which financial statements have been delivered pursuant to Section 7.1.1 or Section 7.1.2, as applicable, together with the consolidating financial statements relating thereto required under Section 7.1.3 (after giving effect to such Subsidiary Redesignation), (D) all representations and warranties contained herein and in the other Transaction Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of such Subsidiary Redesignation (both immediately before and after giving effect thereto), unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, (E) such Subsidiary Redesignation shall constitute a return on any Investment by the Company in Unrestricted Subsidiaries that are subject to such Subsidiary Redesignation in an amount equal to the greater of (i) the portion (proportionate to the Company's direct or indirect equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary (and any Subsidiaries thereof) and (ii) the Fair Market Value of the Company's direct or indirect equity interest in such Subsidiary, in each case at the date of such Subsidiary Redesignation of the Company's or its Subsidiary's (as applicable) Investment in such Subsidiary), (F) the Company shall cause the Subsidiary that is the subject of such Subsidiary Redesignation to comply with, to the extent applicable, Section 9.7 and 9.8, and (G) the Company shall have delivered to the

holders of the Notes an officer's certificate executed by a Responsible Officer of the Company, certifying compliance with the requirements of the preceding clauses (A) through (E); provided, further, that no Unrestricted Subsidiary that has been designated as a Restricted Subsidiary pursuant to a Subsidiary Redesignation may again be designated as an Unrestricted Subsidiary. For the avoidance of doubt, the results of operations, cash flows, assets and indebtedness or other liabilities of Unrestricted Subsidiaries will not be taken into account or consolidated with the accounts of any Credit Party or Restricted Subsidiary for any purpose under this Agreement (other than for the financial statements required to be delivered pursuant to Sections 7.1.1 and 7.1.2) or the other Transaction Documents, including for the purposes of determining any financial calculation contained in this Agreement.

"**USA Patriot Act**" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**Wholly-Owned Subsidiary**" means (i) any Restricted Subsidiary all of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, by the Company or one or more wholly-owned Restricted Subsidiaries of the Company, or by the Company and one or more wholly-owned Restricted Subsidiaries of the Company, or (ii) any partnership, limited liability company, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled by one or more Persons referred to in clause (i) above.

"**2010 Notes**" is defined in Section 1B.

"**2010 Notes Purchasers**" means The Prudential Insurance Company of America, Pruco Life Insurance Company, Prudential Retirement Insurance and Annuity Company and Prudential Annuities Life Assurance Corporation.

"**2011 Notes**" is defined in Section 1C.

"**2011 Notes Purchasers**" means The Prudential Insurance Company of America and Prudential Retirement Insurance and Annuity Company.

SCHEDULE 5.6

TAXES

None

SCHEDULE 5.12

MATERIAL AGREEMENTS

None

SCHEDULE 10.4.1

PERMITTED INVESTMENTS

1) Maximum Maturity

a) The maximum allowable maturity for any security is 24 months. For securities where the interest rate is adjusted periodically (e.g. floating rate securities), the reset date will be used to determine the maturity date.

2) Eligible investments

a) All investments will be held in US Dollars (other than investments held in Indian Rupees (INR), in an aggregate US Dollar equivalent amount not to exceed $5,000,000 at any time).

b) Specific instruments are limited to:

i) Direct obligations of the U.S. Treasury including Treasury Bills, Notes and Bonds.

ii) Federal Agency Securities which carry the direct or implied guarantee of the U.S. Government including Government National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, Student Loan Marketing Association, World Bank, and Tennessee Valley Authority, including Notes, Discount Notes, Medium Term Notes and Floating Rate Notes.

iii) Bank Certificates of Deposit and Bankers' Acceptances including Eurodollar denominated and Yankee issues. Investments will be limited to those institutions having capital and surplus in excess of $100,000,000 with total assets in excess of $2 billion and which carry a Moody's and Standard and Poor's rating of A1/P1 or better.

iv) Corporate Debt Securities consisting of commercial paper, rated A1/P1 or better and medium term notes and floating rate notes issued by foreign or domestic corporations which pay in U.S. Dollars and carry a rating of AA or better.

v) Short term Tax Exempt Securities including municipal notes rated A1/P1 or better; Municipal Notes rated SP-1/MIG-2 or better, and Bonds rated AA or better.

vi) Pre-refunded municipal bonds escrowed to maturity and backed by U.S. Treasury securities.

vii) Repurchase agreements with major banks and dealers which are recognized as Primary Dealers by the Federal Reserve Bank of New York. Collateral for these transactions must be U.S. Treasury or Agency (with the direct or implied guaranty of the U.S. Government) securities only and valued at 102% of market value,

viii) Money-Market mutual funds which offer daily purchase and redemption and maintain a constant share price. The Borrower will invest only in 'no-load' funds, which have a constant $1.00 NAV.

ix) Money-Market interest bearing deposit accounts with banks that are members of the Federal Reserve Bank having capital and surplus in excess of $100,000,000 and that maintain capital levels that are at or above federal banking regulators' requirements for well capitalized institutions.

3) Concentration Limits

a) U.S. Government, Federal Agency Obligations and Repurchase Agreements, or Institutional Funds investing in same: no limit

b) Corporate and bank debt not to exceed $10 million per issuer.

c) Municipal bond debt not to exceed $10 million per issuer.

SCHEDULE 10.4.2

EXISTING INVESTMENTS

Wholly-owned subsidiaries of Encore Capital Group, Inc:

Midland Credit Management, Inc., a Kansas corporation
Midland Credit Management (Mauritius) Ltd., a Mauritius private limited company

Wholly-owned subsidiaries of Midland Credit Management, Inc.:

Midland Portfolio Services, Inc., a Delaware corporation
Ascension Capital Group, Inc., a Delaware corporation
Midland International LLC, a Delaware limited liability company

Wholly-owned subsidiaries of Midland Portfolio Services, Inc.:

Midland Funding LLC, a Delaware limited liability company
Midland Funding NCC-2 Corporation, a Delaware corporation
MRC Receivables Corporation, a Delaware corporation

Wholly-owned subsidiaries of Midland International LLC:

Midland India LLC, a Minnesota limited liability company
Midland Credit Management India Private Limited, an India private limited company

Other Investments:
Assets of the Midland Credit Management, Inc. Executive Nonqualified Excess Plan are invested in various securities (mutual funds, money market funds, & COLI) that match plan participants' investments.

SCHEDULE 10.5

EXISTING INDEBTEDNESS

Amounts due pursuant to the following:

- Note and Security Agreement between California First Leasing Corporation and Midland Credit Management, Inc. (guaranteed by Encore Capital Group, Inc.)
- Capital Lease Agreement between US Bancorp and Midland Credit Management, Inc. (guaranteed by Encore Capital Group, Inc.)
- Guaranty by Encore Capital Group, Inc. of the obligations of Midland Credit Management, Inc. under the lease for its San Diego facility
- Capital Equipment Lease Agreement between Cisco and Midland Credit Management, Inc. (guaranteed by Encore Capital Group, Inc.)
- Capital Equipment Lease Agreement between Dell and Midland Credit Management, Inc. (guaranteed by Encore Capital Group, Inc.)
- Lease Agreement between Sundance III, LLC and Encore Capital Group, Inc. for St. Cloud.
- Lease Agreement between Pranjiwan Lodhia and Lolita Lodhia and Encore Capital Group, Inc. for Phoenix.
- Lease Agreement between Dinesh Kimar and Manmahan Gaind and Midland Credit Management India Private Limited
- Lease Agreement between LBA Realty Fund-Holding Co. I, LLC. and Midland Credit Management, Inc for San Diego
- Lease Agreement between Arbors, LLC and Midland Credit Management, Inc. for Arlington
- Premium Finance Agreement between AFCO and Encore Capital Group, Inc.
- Insurance Policy Agreement between CNA and Encore Capital Group, Inc.
- Repurchase and putback obligations pursuant to agreements for the-sale of Receivables.
- Obligations to participants in the Midland Credit Management, Inc. Executive Nonqualified Excess Plan (deferred compensation plan).
- Obligations to participants in the Midland Credit Management, Inc. self-insured health insurance plans through Cigna and life insurance through Lincoln Financial.
- Capital Equipment Lease Agreement between IBM Global Finance and Midland Credit Management, Inc. (guaranteed by Encore Capital Group, Inc.)

  Premium Finance Agreement between First Insurance Funding Corp and Encore Capital Group, Inc.
- Master Lease Agreement between Religare Finvest Limited and Midland Credit Management India Pvt. Ltd.

SCHEDULE 10.6

EXISTING LIENS

Debtor	State	Original File Date and Number	Secured Party	Collateral Description
ASCENSION CAPITAL GROUP, INC.	TX	05-0027807281 9/6/05	JPMorgan Chase Bank, N.A.	Equipment: Minolta EP1030 Lease #3961140
ASCENSION CAPITAL GROUP, INC.	TX	05-0027807403 9/6/06	JPMorgan Chase Bank, N.A.	Equipment: Lease #007320570-005
MIDLAND CREDIT MANAGEMENT, INC.	KS	93861350 9/26/05	Xerox Corporation	Equipment: Xerox 411OCPC, WC265HC, WC275HC and WC245HC
MIDLAND CREDIT MANAGEMENT, INC.	KS	93996751 11/18/05	IBM Credit LLC	Equipment: Type 7310 7316 999 BCN422
MIDLAND CREDIT MANAGEMENT, INC.	KS	6289888 12/7/06	Sherman Acquisition LLC	Accounts identified on Accounts Schedule attached thereto, together with the right to collect all principal interest or other proceeds
MIDLAND CREDIT MANAGEMENT, INC.	KS	6422299 11/1/07	EMCC Investment Ventures, LLC	Evidences sale from time to time of certain non-performing consumer or credit card accounts by Debtor to Secured Party as described in and pursuant to Terminated of Forward Flow Purchase Agreement dated 10/30/2007
MIDLAND CREDIT MANAGEMENT, INC.	KS	70546051 2/11/08	Key Equipment Finance Inc.	Equipment: Notice filing, Collateral defined therein is covered by financing statement only to the extent such collateral is provided to or obtained by Debtor in connection with present or future leases, loans, conditional sale agreements or other agreements with Secured Party and obligations funded by Secured Party
MIDLAND CREDIT MANAGEMENT, INC.	KS	70609719 10/31/08	Key Equipment Finance Inc.	Equipment: Notice filing, Collateral defined therein is covered by financing statement only to the extent such collateral is provided to or obtained by Debtor in connection with present or future leases, loans, conditional sale agreements or other agreements with Secured Party and obligations funded by Secured Party
MIDLAND CREDIT MANAGEMENT, INC.	KS	6549976 12/8/08	CSI Leasing, Inc.	Equipment: various items of leased computer equipment under Master Lease 246720

Debtor	State	Original File Date and Number	Secured Party	Collateral Description
MIDLAND CREDIT MANAGEMENT, INC.	KS	6566608 2/6/09	Roundup Funding, L.L.C.	Certain consumer loans accounts which are believed to have at least one obligor in a Bankruptcy Proceeding under the U.S. Bankruptcy Code pursuant to an agreement between the Seller and the Buyer, and proceeds arising therefrom
MIDLAND CREDIT MANAGEMENT, INC.	KS	6572085 2/20/09	Roundup Funding, L.L.C.	Certain consumer loans accounts which are believed to have at least one obligor in a Bankruptcy Proceeding under the U.S. Bankruptcy Code pursuant to an agreement between the Seller and the Buyer, and proceeds arising therefrom
MIDLAND CREDIT MANAGEMENT, INC.	KS	6579189 3/20/09	Roundup Funding, L.L.C.	Certain consumer loans accounts which are believed to have at least one obligor in a Bankruptcy Proceeding under the U.S. Bankruptcy Code pursuant to an agreement between the Seller and the Buyer, and proceeds arising therefrom
MIDLAND CREDIT MANAGEMENT, INC.	KS	70650044 5/7/09	US Bancorp Equipment Finance, Inc.	Equipment: Software and other personal property under certain Equipment Schedule No. 2 to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	6608780 6/24/09	Cisco Systems Capital Corporation	Equipment: items of leased equipment described on Schedule thereto
MIDLAND CREDIT MANAGEMENT, INC.	KS	70669655 8/14/09	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70675785 9/15/09	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70681056 10/9/09	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by

Debtor	State	Original File Date and Number	Secured Party	Collateral Description
				Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70682237 10/16/09	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70689760 11/24/09	US Bancorp Equipment Finance, Inc.	For Informational Purposes Only: 1 5520CT CSI914057; 1 5520CT CS1914057C
MIDLAND CREDIT MANAGEMENT, INC.	KS	70690933 12/1/09	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	6668172 2/1/10	Cisco Systems Capital Corporation	Equipment: items of leased equipment described on Schedule thereto
MIDLAND CREDIT MANAGEMENT, INC.	KS	70713826 2/3/10	DELL Financial Services L.L.C.	All computer equipment, peripherals, and other equipment and all of Lessee's rights, title and interest in and to use any software and services that are financed under and described in Master Lease Agreement between Lessor and Lessee
MIDLAND CREDIT MANAGEMENT, INC.	KS	70727362 3/4/10	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70727370 3/4/10	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70727388 3/4/10	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03

Debtor	State	Original File Date and Number	Secured Party	Collateral Description
MIDLAND CREDIT MANAGEMENT, INC.	KS	6693329 4/29/10	Cisco Systems Capital Corporation	Equipment: items of leased equipment described on Schedule thereto
MIDLAND CREDIT MANAGEMENT, INC.	KS	70759563 5/6/10	US Bancorp Equipment Finance, Inc.	For Informational Purposes Only: 1 455 CQD022671BW; 1 MR3022 MPC037087; 1 MJ1101 MWC092838; 1 FAX BOARD GD1250; 1 455 CQD022707BW; 1 MR3022 MPC036976; 1 MJ1101 MWC092840; 1 FAX BOARD GD1250; 1 523 CZK726576; 1 283 CUL736642; 1 283 CUL736662; 1 TE3500C CCJ718207; 1 283 CUL624837; 1 603 CQI827587; 1 453 CIH846926; 1 453 CIH846921; 1 283 CUF845329; 1 723 CRI819855; 1 723 CRI819854; 1 523 CZI831367; 1 TE167 CWH858154
MIDLAND CREDIT MANAGEMENT, INC.	KS	97854301 5/10/10	Velocity Investments, LLC	All Debtor's right, title and interest in and to all Loans purchased under that certain Account Purchase Agreement dated as of 12/11/06
MIDLAND CREDIT MANAGEMENT, INC.	KS	70770081 5/28/10	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70770727 5/28/10	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70770735 5/28/10	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70783084 6/24/10	US Bancorp Equipment Finance, Inc.	For Informational Purposes Only: 1 MR3018 MSD092332; 1 MJ1101 MWE094948; 1 FAX BOARD GD1250; 1

Debtor	State	Original File Date and Number	Secured Party	Collateral Description
				4520C CAE020101; 1 MR3018 MSD092331; 1 MJ1101 MWE094947; 1 FAX BOARD GD1250; 1 4520C CAE020027CLR; 1 4520C CAE020101CLR; 1 523 CZK726576; 1 283 CUL736642; 1 283 CUL736662; 1 TE3500C CCJ718207CLR; 1 283 CUL624837; 1 603 CQI827587; 1 453 CIH846926; 1 453 CIH846921; 1 283 CUF845329; 1 723 CRI819855; 1 723 CRI819854; 1 4520C CAE020027; 1 523 CZI831367; 1 TEI67 CWH858154
MIDLAND CREDIT MANAGEMENT, INC.	KS	70785329 6/29/10	IBM Credit LLC	Equipment: All the equipment together with all related software listed thereto
MIDLAND CREDIT MANAGEMENT, INC.	KS	70807214 8/17/10	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70807222 8/17/10	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	KS	70807305 8/17/10	US Bancorp Equipment Finance, Inc.	Equipment: all equipment, software and other personal property that is financed by Lessor under certain Equipment Schedule to Master Lease Agreement dated as of 6/9/03
MIDLAND CREDIT MANAGEMENT, INC.	CA	0417861155 6/22/04	Portfolio Recovery Associates, LLC	All accounts, contract rights, chosen in action, accounts receivables and general intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and Sale Agreement
MIDLAND CREDIT MANAGEMENT, INC.	CA	05-7043415605 9/26/05	Portfolio Recovery Associates	All accounts, contract rights, chosen in action, accounts receivables and general

Debtor	State	Original File Date and Number	Secured Party	Collateral Description
				intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and Sale Agreement
MIDLAND CREDIT MANAGEMENT, INC.	CA	06-7076079517 6/30/06	Portfolio Recovery Associates	All accounts, contract rights, choses in action, accounts receivables and general intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and Sale Agreement
MIDLAND CREDIT MANAGEMENT, INC.	CA	07-7098601038 1/12/07	Portfolio Recovery Associates, LLC	All accounts, contract rights, choses in action, accounts receivables and general intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and Sale Agreement
MIDLAND CREDIT MANAGEMENT, INC.	CA	07-7113358378 5/9/07	Portfolio Recovery Associates, LLC	All accounts, contract rights, choses in action, accounts receivables and general intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and . Sale Agreement
MIDLAND CREDIT MANAGEMENT, INC.	CA	07-7119448900 6/26/07	Portfolio Recovery Associates, LLC	All accounts, contract rights, choses in action, accounts receivables and general intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and Sale Agreement
MIDLAND CREDIT MANAGEMENT, INC.	CA	07-7120593377 7/3/07	Portfolio Recovery Associates, LLC	All accounts, contract rights, choses in action, accounts receivables and general intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and Sale Agreement
MIDLAND CREDIT MANAGEMENT, INC.	CA	07-7127800335 8/31/07	Portfolio Recovery Associates, LLC	All accounts, contract rights, choses in action, accounts receivables and general intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and Sale Agreement

Debtor	State	Original File Date and Number	Secured Party	Collateral Description
MIDLAND CREDIT MANAGEMENT, INC.	CA	07-7132050500 10/3/07	Portfolio Recovery Associates, LLC	All accounts, contract rights, choses in action, accounts receivables and general intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and Sale Agreement
MIDLAND CREDIT MANAGEMENT, INC.	CA	09-7211674825 10/20/09	Noble Systems Corporation	150 Agent Stations - Enterprise Contact Center
MIDLAND FUNDING LLC	DE	20081650207 5/13/08	Senex Funding, LLC	All accounts receivables sold and assigned pursuant to certain Account Purchase Agreement dated as of 4/4/2008, all proceeds thereof
MIDLAND FUNDING NCC-2 CORPORATION	CA	0417861185 6/22/04	Portfolio Recovery Associates, LLC	All accounts, contract rights, chosen in action, accounts receivables and general intangibles owned or acquired and purchased by the Secured Party and sold . by the Debtor under specified Purchase and Sale Agreement
MRC RECEIVABLES CORPORATION	CA	0407660973 3/9/04	PRA III, LLC	All accounts, contract rights, choses in action, accounts receivables and general intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and Sale Agreement
MRC RECEIVABLES CORPORATION	CA	0417861158 6/22/04	Portfolio Recovery Associates, LLC	All accounts, contract rights, chores in action, accounts receivables and general . intangibles owned or acquired and purchased by the Purchaser and sold by the Seller under specified Purchase and Sale Agreement

Obligations with respect to collected funds on third-party accounts pursuant to the Servicing Agreement dated as of December 27, 2000 among CCS Receivables Management, LLC, Daiwa Finance Corporation and Midland Credit Management, Inc., as amended (Service Agreement assigned to by CCS Receivables Management, LLC to Arrow Financial Services LLC effective March 31, 2005).

Obligations with respect to collected funds on third-party accounts pursuant to servicing agreements between Ascension Capital Group, Inc. and its clients.

EXHIBIT A-1

[FORM OF 2010 NOTE]

ENCORE CAPITAL GROUP, INC.

7.75% SENIOR SECURED NOTE DUE SEPTEMBER 17, 2017

No. [ ] [Date]
$[ ] PPN: 292554 A*3

FOR VALUE RECEIVED, the undersigned, **ENCORE CAPITAL GROUP, INC.** (herein called the "**Company**"), a company organized and existing under the laws of Delaware, hereby promises to pay to [ ], or registered assigns, the principal sum of [ ] DOLLARS (or so much thereof as shall not have been prepaid) on September 17, 2017, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 7.75% per annum from the date hereof, payable at maturity and quarterly, on the 17th day of each March, June, September and December in each year, commencing with the March 17, June 17, September 17 or December 17 next succeeding the date hereof until the principal hereof shall have become due and payable, and (b) at a rate per annum from time to time equal to the greater of (i) 9.75% and (ii) 2% over the rate of interest publicly announced by JPMorgan Chase Bank from time to time in New York, New York as its "base" or "prime" rate (A) on any overdue payment of interest, and (B) following the occurrence and during the continuance of an Event of Default on the unpaid principal balance, any overdue payment of interest and any overdue payment of any Make-Whole Amount, in the case of this clause (b), payable at maturity and quarterly as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at JPMorgan Chase Bank, New York, New York or at such other place as the holder hereof shall designate to the Company in writing as provided in the Agreement referred to below.

This Note is one of a series of senior secured notes (herein called the "**Notes**") issued pursuant to a Senior Secured Note Purchase Agreement, dated as of September 20, 2010 (as from time to time amended, amended and restated, supplemented or otherwise modified, the "**Agreement**"), between the Company, on the one hand, and the other Persons party thereto, on the other hand, and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) made the representation set forth in Section 6.2 of the Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a replacement Note for a like principal amount will be issued to, and registered in the

name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Agreement. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Agreement, but not otherwise.

This Note is secured by, and entitled to the benefits of, the Collateral Documents. Reference is made to the Collateral Documents for the terms and conditions governing the collateral security for the obligations of the Company hereunder.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect, provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such state that would permit the application of the laws of a jurisdiction other than such state.

ENCORE CAPITAL GROUP, INC.

By: _____
Name:
Title:

EXHIBIT A-2

[FORM OF 2011 NOTE]

ENCORE CAPITAL GROUP, INC.

7.375% SENIOR SECURED NOTE DUE FEBRUARY 10, 2018

No. [ ] [Date]
$[ ] PPN: 292554 A@1

FOR VALUE RECEIVED, the undersigned, **ENCORE CAPITAL GROUP, INC.** (herein called the "**Company**"), a company organized and existing under the laws of Delaware, hereby promises to pay to [ ], or registered assigns, the principal sum of [ ] DOLLARS (or so much thereof as shall not have been prepaid) on February 10, 2018, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 7.375% per annum from the date hereof, payable at maturity and quarterly, on the 10th day of each February, May, August and November in each year, commencing with the February 10, May 10, August 10 or November 10 next succeeding the date hereof until the principal hereof shall have become due and payable, and (b) at a rate per annum from time to time equal to the greater of (i) 9.375% and (ii) 2% over the rate of interest publicly announced by JPMorgan Chase Bank from time to time in New York, New York as its "base" or "prime" rate (A) on any overdue payment of interest, and (B) following the occurrence and during the continuance of an Event of Default on the unpaid principal balance, any overdue payment of interest and any overdue payment of any Make-Whole Amount, in the case of this clause (b), payable at maturity and quarterly as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at JPMorgan Chase Bank, New York, New York or at such other place as the holder hereof shall designate to the Company in writing as provided in the Agreement referred to below.

This Note is one of a series of senior secured notes (herein called the "**Notes**") issued pursuant to an Amended and Restated Senior Secured Note Purchase Agreement, dated as of February 10, 2011 (as from time to time amended, amended and restated, supplemented or otherwise modified, the "**Agreement**"), between the Company, on the one hand, and the other Persons party thereto, on the other hand, and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) made the representation set forth in Section 6.2 of the Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a replacement Note for a like principal amount will be issued to, and registered in the

name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Agreement. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Agreement, but not otherwise.

This Note is secured by, and entitled to the benefits of, the Collateral Documents. Reference is made to the Collateral Documents for the terms and conditions governing the collateral security for the obligations of the Company hereunder.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect, provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such state that would permit the application of the laws of a jurisdiction other than such state.

ENCORE CAPITAL GROUP, INC.

By: _____
Name:
Title:

Exhibit 10.5

NON-INCENTIVE STOCK OPTION AGREEMENT

Under
ENCORE CAPITAL GROUP, INC.
2013 INCENTIVE COMPENSATION PLAN

[ ] Shares of Common Stock

ENCORE CAPITAL GROUP, INC. (the "Company"), pursuant to the terms of its 2013 Incentive Compensation Plan (the "Plan"), hereby grants to [ ] (the "Optionee") the right and option to purchase [ ] shares of Common Stock, par value $.01 per share (the "Common Stock"), of the Company (the "Option") upon and subject to the following terms and conditions of this agreement (the "Agreement"):

1. The Option is not intended to qualify as an incentive stock option under the provisions of Section 422 of the Internal Revenue Code of 1986, as amended, or its predecessor (the "Code").

2. [ ] is the date of grant of the Option ("Date of Grant").

3. The purchase price of the shares of Common Stock subject to the Option shall be $[ ] per share.

4. The Option shall vest and be exercisable as follows:

(a) One third of such shares of Common Stock shall vest and be exercisable on or after [ ];

(b) an additional one third of such shares of Common Stock shall vest and be exercisable on or after [ ] ; and

(c) all such shares of Common Stock shall be exercisable on or after [ ] .

Vesting shall cease upon the date of termination of the Optionee's continuous service to the Company or an Affiliate as an employee, consultant or director ("Continuous Service").

Notwithstanding the foregoing, in the event (i) of the termination of the Optionee's Continuous Service as a result of the Optionee's death or Disability, or (ii) the Optionee's employment is terminated without Cause (as defined below) or the Optionee resigns his or her employment for Good Reason (as defined below) in connection with a Change of Control (as defined in the Plan) or within twelve (12) months after a Change of Control, the Option shall be deemed to be fully (100%) vested and exercisable as of immediately prior to the Optionee's death or Disability or as of the Optionee's termination of employment following a Change of Control. The consummation of a Change of Control transaction in itself shall not be deemed a termination of employment entitling the Optionee to vesting acceleration hereunder even if such event results in the Optionee being employed by a different entity.

For purposes of this Agreement, "Cause" is defined as (i) the Optionee's failure to adhere to any written policy of the Company that is legal and generally applicable to employees of the Company; (ii) the Optionee's failure to substantially perform his or her duties, which failure amounts to a repeated and consistent neglect of his or her duties; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted misappropriation) of any of the Company's funds or property; (v) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, a crime of moral turpitude or any other crime with respect to which imprisonment is a possible punishment; (vi) conduct materially injurious to the Company's reputation or business; or (vii) willful misconduct.

For purposes of this Agreement, a "Good Reason" is defined as any of the following reasons: (i) a material reduction in the Optionee's base compensation; (ii) a material reduction in the Optionee's authority, duties or responsibilities; (iii) a material reduction in the authority, duties or responsibilities of the person to whom the Optionee reports; (iv) a material reduction in the budget over which the Optionee retains authority; or (v) a material change in the location at which the Optionee provides services for the Company (which is defined as any relocation by the Company of the Optionee's employment to a location that is more than thirty-five (35) miles from the Optionee's present office location and is more than thirty-five (35) miles from the Optionee's primary residence at the time of such relocation, without the Optionee's consent). To be eligible to receive the benefits set forth in this Section, (x) the Optionee must provide written notice of the "Good Reason" condition to the Company within ninety (90) days after the initial existence of such condition, (y) the Company must not have cured such condition within thirty (30) days of receipt of the Optionee's written notice or it must have stated unequivocally in writing that it does not intend to attempt to cure such condition; and (z) the Optionee resigns from employment within twelve (12) months following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

For purposes of this Agreement, a change in the capacity in which the Optionee renders service to the Company or an Affiliate as an employee, consultant or director or a change in the entity for which the Optionee renders such service, provided that there is no interruption or termination of the Optionee's service with the Company or an Affiliate, shall not terminate the Optionee's Continuous Service. For example, a change in status from an employee of the Company to a consultant to an Affiliate or to a director shall not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or its compensation committee or any officer designated by the Board or its compensation committee, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of vesting to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Optionee, or as otherwise required by law.

5. The unexercised portion of any such Option shall automatically and without notice terminate and become null and void at the time of the earliest to occur of the following:

(a) [expiration date];

(b) the termination of the Optionee's Continuous Service, in which event the Option shall terminate as follows:

(i) if such termination constitutes or is attributable to a breach by the Optionee of an employment or consulting agreement with the Company or any of its Affiliates, or if the Optionee is discharged or if his or her Continuous Service is terminated for Cause, then the Option shall terminate immediately upon such termination date;

(ii) if such termination is due to the death or Disability of the Optionee, then the Option shall terminate on the one-year anniversary of the date of death or Disability of the Optionee; or

(iii) if such termination is for any other reason including the voluntary or involuntary termination of the Optionee's Continuous Service, then the Option shall terminate on the ninetieth (90th) day following the date of termination of Continuous Service.

(c) the occurrence of a Change of Control; provided, however, that the Option shall be exercisable until the earlier of (A) the date described in Section 5(a) and (B) the later of (i) the first anniversary of the Change of Control and (ii) the time otherwise determined pursuant to the foregoing provisions of this Section 5.

6. The Option may be exercised, subject to the provisions of the Plan and of this Agreement, as to all or part of the shares of Common Stock covered hereby, as to which the Option shall then be exercisable, by providing a notice of exercise form in accordance with such procedures as are established by the Company and communicated to the Optionee from time to time. Such procedures may include delivering such notice of exercise electronically to, and through a website maintained by, a third party administrator. Any notice of exercise must specify how many shares the Optionee wishes to purchase and how the shares should be registered. The notice of exercise will be effective when it is received by the Company at its principal business office, or electronically by a third party administrator, accompanied by payment of the full purchase price for the shares being purchased, in a form permitted under the Agreement, and provision, acceptable to the Company, for payment of applicable withholding taxes.

7. Payment of the purchase price for the shares subject to the Option may be made by:

(a) cash or by check payable to the Company or to a third party administrator appointed by the Company for such purposes;

(b) delivery of unrestricted shares of Common Stock having a Fair Market Value (determined as of the date the Option is exercised, but in no event at a price per share less than the par value per share of the Common Stock delivered) equal to all or part of the purchase price and that have been held for more than six months (or other period required by the Company); provided, that, whenever the Optionee is permitted to pay the exercise price of an Option by delivering shares of Common Stock, the Optionee may, subject to procedures satisfactory to the Committee (as defined in the Plan), satisfy such delivery requirement by presenting proof of beneficial ownership of such shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of shares from the shares acquired by the exercise of the Option;

(c) delivery of irrevocable instructions to a broker in a form acceptable to the Company providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares of Common Stock being acquired upon the exercise of the Option sufficient to pay the exercise price and/or applicable withholding pursuant to a program or procedure approved by the Company (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System); provided that the Company reserves the right, in its sole discretion, to establish, decline to approve or terminate any such program or procedures, including with respect to the Optionee notwithstanding that such program or procedures may be available to others;

(d) upon prior written approval by the Committee, an election by the Optionee to have the Company withhold from those shares of Common Stock that would otherwise be received upon exercise of the Option, a number of shares having a Fair Market Value equal to the exercise price;

(e) any other form permitted by the Committee in its sole discretion; and/or

(f) any combination of any of the foregoing methods.

Notwithstanding the foregoing, payment may not be made in any form that is unlawful, as determined by the Committee in its sole discretion.

The Company shall cause certificates or electronic book entry for the shares so purchased to be delivered against payment of the purchase price, as soon as practicable following the Company's receipt of the notice of exercise.

8. Neither the Optionee nor the Optionee's beneficiary, executors or administrators or any other person shall have any of the rights of a stockholder in the Company with respect to the shares subject to the Option until the date of issuance of the shares for which the Option shall have been exercised.

9. The Option is not assignable or otherwise transferable by the Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution, or as otherwise permitted under the Plan. In the event of the Optionee's death, the Option shall thereafter be exercisable (to the extent otherwise exercisable hereunder) only by the Optionee's beneficiary, executors or administrators subject to and in accordance with the provisions of the Plan and only upon providing satisfactory proof to the Company that such beneficiary, executors or administrators are legally authorized and entitled to exercise the Option.

10. The terms and conditions of the Option, including the number of shares and the class or series of capital stock which may be delivered upon exercise of the Option and the purchase price per share, are subject to adjustment as provided in the Plan.

11. The Optionee, by the Optionee's acceptance hereof, represents and warrants to the Company that the Optionee's purchase of shares of capital stock upon the exercise hereof shall be for investment and not with a view to distribution and agrees that the shares of capital stock will not be disposed of except pursuant to an applicable effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), unless the Company shall have received an opinion of counsel satisfactory to the Company that such disposition is exempt from such registration under the Securities Act.

The Optionee agrees that the obligation of the Company to issue shares upon the exercise of the Option shall also be subject, as conditions precedent, to the terms of the Plan and compliance with applicable provisions of the Act, state securities or corporation laws, rules and regulations under any of the foregoing and applicable requirements of any securities exchange upon which the Company's securities shall be listed.

The Company may endorse an appropriate legend referring to the foregoing representations and restrictions upon the certificate or certificates representing any shares issued or transferred to the Optionee upon the exercise of the Option.

12. The Optionee agrees that the Company may deliver by e-mail all documents relating to the Plan or this Option (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). The Optionee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify the Optionee by e-mail.

13. Any notices provided for in the Option or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to the Optionee, five (5) days after deposit in the United States mail, postage prepaid, addressed to the Optionee at the last address the Optionee provided to the Company.

14. The Option has been granted subject to the terms and conditions of the Plan, a copy of which has been provided to the Optionee and which the Optionee acknowledges having received and reviewed. Any conflict between this Agreement and the Plan shall be decided in favor of the provisions of the Plan. Any conflict between this Agreement and the terms of a

written employment agreement for the Optionee that has been approved, ratified or confirmed by the Board of Directors of the Company or the Committee shall be decided in favor of the provisions of such employment agreement. Terms used but not defined in this Agreement shall have the meanings given to them in the Plan. This Agreement may not be amended in any manner adverse to the Optionee except by a written agreement executed by the Optionee and the Company.

15. Nothing herein shall confer upon the Optionee the right to continue to serve as an employee, consultant or director of the Company or any of its Affiliates.

16. The Optionee understands that all shares purchased upon exercise of the Option are subject to compliance with the Company's Securities Trading Policy. Further, the Optionee acknowledges that he or she has received and reviewed a copy of the prospectus describing the Plan and the tax consequences of an exercise.

IN WITNESS WHEREOF, the Company has caused this Agreement to be signed by an officer duly authorized thereto as of the [ ].

ENCORE CAPITAL GROUP, INC.

By: _____
Name:
Title:

ACCEPTED AND AGREED TO:

_____

Exhibit 10.6

ENCORE CAPITAL GROUP, INC.
RESTRICTED STOCK GRANT NOTICE
(2013 INCENTIVE COMPENSATION PLAN)

Encore Capital Group, Inc. (the ***"Company"***), pursuant to its 2013 Incentive Compensation Plan (the ***"Plan"***), hereby awards to Participant a Restricted Stock Award for the number of shares of the Company's stock set forth below (the ***"Award"***). The Award is subject to all of the terms and conditions as set forth herein and in the Plan and the Restricted Stock Agreement, both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Restricted Stock Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control.

Participant:	[name]
Date of Grant:	[date]
Vesting Commencement Date:	See Vesting Schedule below
Number of Shares Subject to Award:	[number]
Consideration:	Participant's Services
Vesting Schedule:	x shares will vest on [date]; x shares will vest on [date]; and x shares will vest on [date]. In addition, the vesting of the shares may accelerate in the sole discretion of the Committee and upon certain events described in the Restricted Stock Agreement. Notwithstanding the foregoing, vesting shall terminate upon the Participant's termination of Continuous Service.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Restricted Stock Grant Notice, the Restricted Stock Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Grant Notice, the Restricted Stock Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the Award and supersede all prior oral and written agreements on that subject.

Participant further agrees that the Company may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). Participant also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify Participant by e-mail.

ENCORE CAPITAL GROUP, INC.:	**PARTICIPANT**:
By: _____	_____
[Kenneth A. Vecchione]	[name]
Title: [President and Chief Executive Officer]	Date: _____
Date: _____	

ATTACHMENTS: Restricted Stock Agreement, 2013 Incentive Compensation Plan

ATTACHMENT I

ENCORE CAPITAL GROUP, INC.
2013 INCENTIVE COMPENSATION PLAN

RESTRICTED STOCK AGREEMENT – EXECUTIVE

Pursuant to the Restricted Stock Grant Notice ("***Grant Notice***") and this Restricted Stock Agreement and in consideration of your services, Encore Capital Group, Inc. (the "***Company***") has awarded you a restricted stock award (the "***Award***") under its 2013 Incentive Compensation Plan (the "***Plan***") for the number of shares of the Company's Stock as indicated in the Grant Notice. Your Award is granted to you effective as of the Date of Grant set forth in the Grant Notice for this Award. Defined terms not explicitly defined in this Restricted Stock Agreement shall have the same meanings given to them in the Plan. In the event of any conflict between the terms in this Restricted Stock Agreement and the Plan, the terms of the Plan shall control.

In consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree that the details of your Award are as follows:

1. VESTING.

(a) In General. Subject to the limitations contained herein, your Award will vest in accordance with the vesting schedule provided in the Grant Notice, provided that vesting will cease upon the termination of your Continuous Service. For purposes of this Award, ***"Continuous Service"*** means that your service with the Company or an Affiliate, whether as an employee, director or consultant, is not interrupted or terminated. A change in the capacity in which you render service to the Company or an Affiliate as an employee, consultant or director or a change in the entity for which you render such service, provided that there is no interruption or termination of your service with the Company or an Affiliate, shall not terminate your Continuous Service. For example, a change in status from an employee of the Company to a consultant to an Affiliate or to a director shall not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or its compensation committee or any officer designated by the Board or its compensation committee, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of vesting to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to you, or as otherwise required by law.

(b) Vesting Acceleration. Notwithstanding the foregoing, in the event (i) of the termination of your Continuous Service to the Company as a result of your death or Disability, or (ii) your employment is terminated without Cause (as defined below) or you resign your employment for Good Reason (as defined below) in connection with a Change of Control (as defined in the Plan) or within 12 months after a Change of Control, the Award shall be

deemed to be fully (100%) vested and eligible for settlement as of immediately prior to your death or Disability or as of your termination of employment following a Change of Control. The consummation of a Change of Control transaction in itself shall not be deemed a termination of employment entitling you to vesting acceleration hereunder even if such event results your being employed by a different entity.

For purposes of this Restricted Stock Agreement, "Cause" is defined as (i) your failure to adhere to any written policy of the Company that is legal and generally applicable to employees of the Company; (ii) your failure to substantially perform your duties, which failure amounts to a repeated and consistent neglect of your duties; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted misappropriation) of any of the Company's funds or property; (v) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, a crime of moral turpitude or any other crime with respect to which imprisonment is a possible punishment; (vi) conduct materially injurious to the Company's reputation or business; or (vii) willful misconduct.

For purposes of this Restricted Stock Agreement, a "Good Reason" is defined as any of the following reasons: (i) a material reduction in your base compensation; (ii) a material reduction in your authority, duties or responsibilities; (iii) a material reduction in the authority, duties or responsibilities of the person to whom you report; (iv) a material reduction in the budget over which you retain authority; or (v) a material change in the location at which you provide services for the Company (which is defined as any relocation by the Company of your employment to a location that is more than 35 miles from your present office location and is more than 35 miles from your primary residence at the time of such relocation, without your consent). To be eligible to receive the benefits set forth in this Section, (x) you must provide written notice of the "Good Reason" condition to the Company within 90 days after the initial existence of such condition, (y) the Company must not have cured such condition within 30 days of receipt of your written notice or it must have stated unequivocally in writing that it does not intend to attempt to cure such condition; and (z) you resign from employment within 12 months following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

2. NUMBER OF SHARES. The number of shares subject to your Award may be adjusted from time to time for capitalization adjustments, as provided in the Plan.

3. SECURITIES LAW COMPLIANCE. You may not be issued any shares under your Award unless the shares are either: (i) then registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award also must comply with other applicable laws and regulations governing the Award, and you will not receive such shares if the Company determines that such receipt would not be in material compliance with such laws and regulations.

4. LIMITATIONS ON TRANSFER. Your Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise

dispose of any interest in any of the shares of Stock subject to the Award until the shares are vested in accordance with this Restricted Stock Agreement. After the shares have vested, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein and applicable securities laws.

5. DIVIDENDS. You shall be entitled to receive payments equal to any cash dividends and other distributions paid with respect to the shares covered by your Award, provided that such distributions shall be converted into additional shares covered by the Award. If such distributions are paid in cash, you shall be credited with additional shares covered by the Award in an amount equal to (i) the amount of the dividends or other distributions paid on that number of shares equal to the aggregate number of shares covered by the Award as of that date divided by (ii) the Fair Market Value of a share as of such date. The additional shares credited shall be subject to the same vesting and forfeiture restrictions as the shares covered by the Award with respect to which they relate.

6. RESTRICTIVE LEGENDS. The shares issued under your Award shall be endorsed with appropriate legends determined by the Company.

7. AWARD NOT A SERVICE CONTRACT.

(a) Your Continuous Service with the Company or an Affiliate is not for any specified term and may be terminated by you or by the Company or an Affiliate at any time, for any reason, with or without cause and with or without notice. Nothing in this Restricted Stock Agreement (including, but not limited to, the vesting of your Award pursuant to the schedule set forth in the Grant Notice), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Restricted Stock Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Restricted Stock Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Restricted Stock Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the schedule set forth in the Grant Notice is earned only by continuing as an employee, director or consultant at the will of the Company (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "reorganization"). You further acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Restricted Stock Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Restricted Stock Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith

and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Restricted Stock Agreement, for any period, or at all, and shall not interfere in any way with your right or the Company's right to terminate your Continuous Service at any time, with or without cause and with or without notice.

8. WITHHOLDING OBLIGATIONS.

(a) On or before vesting of the shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and/or any other amounts payable to you, provided that any such withholding will not be in excess of the minimum statutory withholding requirement, and otherwise agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with your Award. If permissible under applicable law, the Company may, in its sole discretion: (i) sell or arrange for the sale, on your behalf, of shares acquired by you to meet the withholding obligation and/or (ii) withhold in shares, provided that only the amount of shares necessary to satisfy the minimum withholding amount are withheld. The Company also reserves the right to require that you assume liability for any tax- and/or social insurance-related charges that may otherwise be due by the Company or an Affiliate with respect to the Award, if the Company determines in its sole discretion that such charges may legally be transferred to you. To the extent that liability for any such charges is transferred to you, such charges will be subject to the applicable withholding methods set forth in this Section 7.

(b) Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to remove the restrictive legends from the shares of Stock subject to your Award.

9. NOTICES. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

10. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award shall be transferable to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) For purposes of your personal tax planning, you may make an election under Section 83(b) of the Code within 30 days of the date of grant; however, this election by you will be in your sole discretion. We strongly advise you to consult with your personal legal, tax and financial advisors before you make such an election.

(c) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(d) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award, and fully understand all provisions of your Award.

11. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

12. SEVERABILITY. If all or any part of this Restricted Stock Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Restricted Stock Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Restricted Stock Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

13. EFFECT ON OTHER EMPLOYEE BENEFIT PLANS. The value of the Award subject to this Restricted Stock Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating the Employee's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

14. AMENDMENT. This Restricted Stock Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Restricted Stock Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Restricted Stock Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Restricted Stock Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

Exhibit 10.7

ENCORE CAPITAL GROUP, INC.
RESTRICTED STOCK GRANT NOTICE
(2013 INCENTIVE COMPENSATION PLAN)

Encore Capital Group, Inc. (the ***"Company"***), pursuant to its 2013 Incentive Compensation Plan (the ***"Plan"***), hereby awards to Participant a Restricted Stock Award for the number of shares of the Company's stock set forth below (the ***"Award"***). The Award is subject to all of the terms and conditions as set forth herein and in the Plan and the Restricted Stock Agreement, both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Restricted Stock Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control.

Participant:	[name]
Date of Grant:	[date]
Vesting Commencement Date:	See Vesting Schedule below
Number of Shares Subject to Award:	[number]
Consideration:	Participant's Services
Vesting Schedule:	x shares will vest on [date]; x shares will vest on [date]; and x shares will vest on [date]. In addition, the vesting of the shares may accelerate in the sole discretion of the Committee and upon certain events described in the Restricted Stock Agreement. Notwithstanding the foregoing, vesting shall terminate upon the Participant's termination of Continuous Service.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Restricted Stock Grant Notice, the Restricted Stock Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Grant Notice, the Restricted Stock Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the Award and supersede all prior oral and written agreements on that subject.

Participant further agrees that the Company may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). Participant also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify Participant by e-mail.

ENCORE CAPITAL GROUP, INC.:	**PARTICIPANT**:
By: _____	_____
[Kenneth A. Vecchione]	[name]
Title: [President and Chief Executive Officer]	Date: _____
Date: _____	

ATTACHMENTS: Restricted Stock Agreement, 2013 Incentive Compensation Plan

ATTACHMENT I

ENCORE CAPITAL GROUP, INC.
2013 INCENTIVE COMPENSATION PLAN

RESTRICTED STOCK AGREEMENT – NON-EXECUTIVE

Pursuant to the Restricted Stock Grant Notice ("***Grant Notice***") and this Restricted Stock Agreement and in consideration of your services, Encore Capital Group, Inc. (the "***Company***") has awarded you a restricted stock award (the "***Award***") under its 2013 Incentive Compensation Plan (the "***Plan***") for the number of shares of the Company's Stock as indicated in the Grant Notice. Your Award is granted to you effective as of the Date of Grant set forth in the Grant Notice for this Award. Defined terms not explicitly defined in this Restricted Stock Agreement shall have the same meanings given to them in the Plan. In the event of any conflict between the terms in this Restricted Stock Agreement and the Plan, the terms of the Plan shall control.

In consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree that the details of your Award are as follows:

1. VESTING. Subject to the limitations contained herein, your Award will vest in accordance with the vesting schedule provided in the Grant Notice, provided that vesting will cease upon the termination of your Continuous Service. For purposes of this Award, ***"Continuous Service"*** means that your service with the Company or an Affiliate, whether as an employee, director or consultant, is not interrupted or terminated. A change in the capacity in which you render service to the Company or an Affiliate as an employee, consultant or director or a change in the entity for which you render such service, provided that there is no interruption or termination of your service with the Company or an Affiliate, shall not terminate your Continuous Service. For example, a change in status from an employee of the Company to a consultant to an Affiliate or to a director shall not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or its compensation committee or any officer designated by the Board or its compensation committee, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of vesting to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to you, or as otherwise required by law.

2. NUMBER OF SHARES. The number of shares subject to your Award may be adjusted from time to time for capitalization adjustments, as provided in the Plan.

3. SECURITIES LAW COMPLIANCE. You may not be issued any shares under your Award unless the shares are either: (i) then registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award also must comply with other applicable laws and regulations governing the Award, and you will not receive such shares if the Company determines that such receipt would not be in material compliance with such laws and regulations.

4. LIMITATIONS ON TRANSFER. Your Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the shares of Stock subject to the Award until the shares are vested in accordance with this Restricted Stock Agreement. After the shares have vested, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein and applicable securities laws.

5. DIVIDENDS. You shall be entitled to receive payments equal to any cash dividends and other distributions paid with respect to the shares covered by your Award, provided that such distributions shall be converted into additional shares covered by the Award. If such distributions are paid in cash, you shall be credited with additional shares covered by the Award in an amount equal to (i) the amount of the dividends or other distributions paid on that number of shares equal to the aggregate number of shares covered by the Award as of that date divided by (ii) the Fair Market Value of a share as of such date. The additional shares credited shall be subject to the same vesting and forfeiture restrictions as the shares covered by the Award with respect to which they relate.

6. RESTRICTIVE LEGENDS. The shares issued under your Award shall be endorsed with appropriate legends determined by the Company.

7. AWARD NOT A SERVICE CONTRACT.

(a) Your Continuous Service with the Company or an Affiliate is not for any specified term and may be terminated by you or by the Company or an Affiliate at any time, for any reason, with or without cause and with or without notice. Nothing in this Restricted Stock Agreement (including, but not limited to, the vesting of your Award pursuant to the schedule set forth in the Grant Notice), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Restricted Stock Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Restricted Stock Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Restricted Stock Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the schedule set forth in the Grant Notice is earned only by continuing as an employee, director or consultant at the will of the Company (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a

"reorganization"). You further acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Restricted Stock Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Restricted Stock Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Restricted Stock Agreement, for any period, or at all, and shall not interfere in any way with your right or the Company's right to terminate your Continuous Service at any time, with or without cause and with or without notice.

8. WITHHOLDING OBLIGATIONS.

(a) On or before vesting of the shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and/or any other amounts payable to you, provided that any such withholding will not be in excess of the minimum statutory withholding requirement, and otherwise agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with your Award. If permissible under applicable law, the Company may, in its sole discretion: (i) sell or arrange for the sale, on your behalf, of shares acquired by you to meet the withholding obligation and/or (ii) withhold in shares, provided that only the amount of shares necessary to satisfy the minimum withholding amount are withheld. The Company also reserves the right to require that you assume liability for any tax- and/or social insurance-related charges that may otherwise be due by the Company or an Affiliate with respect to the Award, if the Company determines in its sole discretion that such charges may legally be transferred to you. To the extent that liability for any such charges is transferred to you, such charges will be subject to the applicable withholding methods set forth in this Section 7.

(b) Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to remove the restrictive legends from the shares of Stock subject to your Award.

9. NOTICES. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

10. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award shall be transferable to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) For purposes of your personal tax planning, you may make an election under Section 83(b) of the Code within 30 days of the date of grant; however, this election by you will be in your sole discretion. We strongly advise you to consult with your personal legal, tax and financial advisors before you make such an election.

(c) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(d) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award, and fully understand all provisions of your Award.

11. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

12. SEVERABILITY. If all or any part of this Restricted Stock Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Restricted Stock Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Restricted Stock Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

13. EFFECT ON OTHER EMPLOYEE BENEFIT PLANS. The value of the Award subject to this Restricted Stock Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating the Employee's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

14. AMENDMENT. This Restricted Stock Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Restricted Stock Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Restricted Stock Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Restricted Stock Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

Exhibit 10.8

ENCORE CAPITAL GROUP, INC.
RESTRICTED STOCK UNIT GRANT NOTICE
(2013 INCENTIVE COMPENSATION PLAN, AS AMENDED)

Encore Capital Group, Inc. (the ***"Company"***), pursuant to its 2013 Incentive Compensation Plan, as amended (the ***"Plan"***), hereby awards to Participant a Restricted Stock Unit award for the number of shares of the Company's stock set forth below (the ***"Award"***). The Award is subject to all of the terms and conditions as set forth herein and in the Restricted Stock Unit Agreement and the Plan, both of which are attached hereto as Attachments I and II, respectively, and incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Restricted Stock Unit Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control.

Participant:	%%FIRST_NAME%-% %%LAST_NAME%-%
Date of Grant:	%%OPTION_DATE%-%
Vesting Commencement Date:	See Vesting Schedule below
Number of Shares Subject to Award:	%%TOTAL_SHARES_GRANTED%-%
Consideration:	Participant's Services

Vesting Schedule: The Award shall vest in annual installments over a three-year period, with one-third vesting on %% VEST_DATE_PERIOD1%-%, one-third vesting on %%VEST_DATE_PERIOD2%-% and the remaining one-third vesting on %%VEST_DATE_PERIOD3%-%. In addition, the vesting of the shares may accelerate upon certain events described in the Restricted Stock Unit Agreement. Notwithstanding the foregoing, vesting shall terminate upon the Participant's termination of Continuous Service.

Issuance Schedule: The shares will be issued in accordance with the issuance schedule set forth in Section 6 of the Restricted Stock Unit Agreement.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Restricted Stock Unit Grant Notice, the Restricted Stock Unit Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Unit Grant Notice, the Restricted Stock Unit Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the Award and supersede all prior oral and written agreements on that subject.

Participant further agrees that the Company may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). Participant also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify Participant by e-mail.

ENCORE CAPITAL GROUP, INC.:	**PARTICIPANT**:
	_____
Kenneth A. Vecchione	%%FIRST_NAME%-% %%LAST_NAME%-%
Title: President and Chief Executive Officer	Date: _____

ATTACHMENTS: Restricted Stock Unit Agreement, 2013 Incentive Compensation Plan, as Amended and Restated

ATTACHMENT I

ENCORE CAPITAL GROUP, INC.
2013 INCENTIVE COMPENSATION PLAN, AS AMENDED

RESTRICTED STOCK UNIT AGREEMENT – EXECUTIVE

Pursuant to the Restricted Stock Unit Grant Notice ("***Grant Notice***") and this Restricted Stock Unit Agreement and in consideration of your services, Encore Capital Group, Inc. (the "***Company***") has awarded you a restricted stock unit award (the "***Award***") under its 2013 Incentive Compensation Plan, as amended (the "***Plan***") for the number of shares of the Company's Stock as indicated in the Grant Notice. Your Award is granted to you effective as of the Date of Grant set forth in the Grant Notice for this Award. Defined terms not explicitly defined in this Restricted Stock Unit Agreement shall have the same meanings given to them in the Plan. In the event of any conflict between the terms in this Restricted Stock Unit Agreement and the Plan, the terms of the Plan shall control.

In consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree that the details of your Award are as follows:

1. VESTING.

(a) In General. Subject to the limitations contained herein, your Award will vest in accordance with the vesting schedule provided in the Grant Notice, provided that vesting will cease upon the termination of your Continuous Service. For purposes of this Award, ***"Continuous Service"*** means that your service with the Company or an Affiliate, whether as an employee, director or consultant, is not interrupted or terminated. A change in the capacity in which you render service to the Company or an Affiliate as an employee, consultant or director or a change in the entity for which you render such service, provided that there is no interruption or termination of your service with the Company or an Affiliate, shall not terminate your Continuous Service. For example, a change in status from an employee of the Company to a consultant to an Affiliate or to a director shall not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or its compensation committee or any officer designated by the Board or its compensation committee, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of vesting to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to you, or as otherwise required by law.

(b) Vesting Acceleration. Notwithstanding the foregoing, in the event (i) of the termination of your Continuous Service to the Company as a result of your death or Disability, or (ii) your employment is terminated without Cause (as defined below) or you resign

your employment for Good Reason (as defined below) in connection with a Change of Control (as defined in the Plan) or within twelve (12) months after a Change of Control, the Award shall be deemed to be fully (100%) vested and eligible for settlement as of immediately prior to your death or Disability or as of your termination of employment following a Change of Control. The consummation of a Change of Control transaction in itself shall not be deemed a termination of employment entitling you to vesting acceleration hereunder even if such event results your being employed by a different entity.

For purposes of this Restricted Stock Unit Agreement, "Cause" is defined as (i) your failure to adhere to any written policy of the Company that is legal and generally applicable to employees of the Company; (ii) your failure to substantially perform your duties, which failure amounts to a repeated and consistent neglect of your duties; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted misappropriation) of any of the Company's funds or property; (v) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, a crime of moral turpitude or any other crime with respect to which imprisonment is a possible punishment; (vi) conduct materially injurious to the Company's reputation or business; or (vii) willful misconduct.

For purposes of this Restricted Stock Unit Agreement, a "Good Reason" is defined as any of the following reasons: (i) a material reduction in your base compensation; (ii) a material reduction in your authority, duties or responsibilities; (iii) a material reduction in the authority, duties or responsibilities of the person to whom you report; (iv) a material reduction in the budget over which you retain authority; or (v) a material change in the location at which you provide services for the Company (which is defined as any relocation by the Company of your employment to a location that is more than thirty-five (35) miles from your present office location and is more than thirty-five (35) miles from your primary residence at the time of such relocation, without your consent). To be eligible to receive the benefits set forth in this Section, (x) you must provide written notice of the "Good Reason" condition to the Company within ninety (90) days after the initial existence of such condition, (y) the Company must not have cured such condition within thirty (30) days of receipt of your written notice or it must have stated unequivocally in writing that it does not intend to attempt to cure such condition; and (z) you resign from employment within twelve (12) months following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

2. NUMBER OF SHARES. The number of shares subject to your Award may be adjusted from time to time for capitalization adjustments, as provided in the Plan.

3. SECURITIES LAW COMPLIANCE. You may not be issued any shares under your Award unless the shares are either: (i) then registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award also must comply with other applicable laws and regulations governing the Award, and you will not receive such shares if the Company determines that such receipt would not be in material compliance with such laws and regulations.

4. LIMITATIONS ON TRANSFER. Your Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the shares of Stock subject to the Award until the shares are issued to you in accordance with Section 6 of this Restricted Stock Unit Agreement. After the shares have been issued to you, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein and applicable securities laws.

5. DIVIDENDS. You shall be entitled to receive payments equal to any cash dividends and other distributions paid with respect to a corresponding number of shares covered by your Award, provided that such distributions shall be converted into additional shares covered by the Award. If such distributions are paid in cash, you shall be credited with additional shares covered by the Award in an amount equal to (i) the amount of the dividends or other distributions paid on that number of shares equal to the aggregate number of shares covered by the Award as of that date divided by (ii) the Fair Market Value of a share as of such date. The additional shares credited as dividend equivalents shall be subject to the same vesting and forfeiture restrictions as the shares covered by the Award with respect to which they relate.

6. DATE OF ISSUANCE.

(a) The Company will deliver to you a number of shares of the Company's Stock equal to the number of vested shares subject to your Award, including any additional shares received pursuant to Section 5 above that relate to those vested shares on the vesting date or dates provided in your Grant Notice; provided, however, that if the Company determines that you are subject to its policy regarding insider trading of the Company's stock or you are otherwise prohibited from selling shares of the Company's stock in the public market and any shares of Common Stock subject to your Award are scheduled to be delivered on a day (the ***"Original Distribution Date"***) that does not occur during an open "window period" applicable to you, as determined by the Company in accordance with such policy, or a day when you are prohibited from selling shares of the Company's stock in the public market and the Company elects not to satisfy its tax withholding obligations by withholding shares from your distribution, then such shares shall not be delivered on such Original Distribution Date and shall instead be delivered as soon as practicable within the next open "window period" applicable to you pursuant to such policy or the next day when you are not prohibited from selling shares of the Company's stock in the public market; *provided, however,* that the delivery of the shares shall not be delayed pursuant to this provision beyond the later of: (a) December 31st of the same calendar year of the Original Distribution Date, or (b) the 15th day of the third calendar month following the Original Distribution Date.

(b) Notwithstanding the foregoing:

(i) If, no later than December 31 of the year before the year of grant of the Award, you elect to defer delivery of such shares of Common Stock beyond the vesting date, then the Company will not deliver such shares on the vesting date or dates provided in your Grant Notice, but will instead deliver such shares to you on such later date or dates that you so elect (the "***Settlement Date***"); provided, however, that in the event of your "separation from

service" (as such term is defined in Section 409A(a)(2)(A)(i) of the Code and applicable guidance thereunder) prior to the Settlement Date, such vested shares of Common Stock shall instead be delivered to you on the date of your separation from service. If such deferral election is made, the Committee shall, in its sole discretion, establish the rules and procedures for such election, including the permitted Settlement Dates, which shall be evidenced by a Restricted Stock Unit Election Agreement.

(ii) If at the time the shares would otherwise be issued to you as a result of your separation from service, you are subject to the distribution limitations contained in Code Section 409A applicable to "key employees" as defined in Code Section 416 (i), share issuances to you as a result of your separation from service shall not be made before the date which is six (6) months following the date of your separation from service, or, if earlier, the date of your death that occurs within such six (6) month period.

7. RESTRICTIVE LEGENDS. The shares issued under your Award shall be endorsed with appropriate legends determined by the Company.

8. AWARD NOT A SERVICE CONTRACT.

(a) Your Continuous Service with the Company or an Affiliate is not for any specified term and may be terminated by you or by the Company or an Affiliate at any time, for any reason, with or without cause and with or without notice. Nothing in this Restricted Stock Unit Agreement (including, but not limited to, the vesting of your Award pursuant to the schedule set forth in Section 2 herein), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Restricted Stock Unit Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Restricted Stock Unit Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Restricted Stock Unit Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the schedule set forth in Section 2 is earned only by continuing as an employee, director or consultant at the will of the Company (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a ***"reorganization"***). You further acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Restricted Stock Unit Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Restricted Stock Unit Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Restricted Stock Unit

Agreement, for any period, or at all, and shall not interfere in any way with your right or the Company's right to terminate your Continuous Service at any time, with or without cause and with or without notice.

9. WITHHOLDING OBLIGATIONS.

(a) On or before the time you receive a distribution of shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and/or any other amounts payable to you, provided that any such withholding will not be in excess of the minimum statutory withholding requirement, and otherwise agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with your Award. If permissible under applicable law, the Company may, in its sole discretion: (i) sell or arrange for the sale, on your behalf, of shares acquired by you to meet the withholding obligation and/or (ii) withhold in shares, provided that only the amount of shares necessary to satisfy the minimum withholding amount are withheld. The Company also reserves the right to require that you assume liability for any tax- and/or social insurance-related charges that may otherwise be due by the Company or an Affiliate with respect to the Award, if the Company determines in its sole discretion that such charges may legally be transferred to you. To the extent that liability for any such charges is transferred to you, such charges will be subject to the applicable withholding methods set forth in this Section 9.

(b) Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to issue the shares of Stock subject to your Award.

10. UNSECURED OBLIGATION. Your Award is unfunded, and as a holder of a vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares pursuant to this Restricted Stock Unit Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Restricted Stock Unit Agreement until such shares are issued to you pursuant to Section 6 of this Restricted Stock Unit Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Restricted Stock Unit Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

11. NOTICES. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

12. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award shall be transferable to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award, and fully understand all provisions of your Award.

13. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

14. SEVERABILITY. If all or any part of this Restricted Stock Unit Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Restricted Stock Unit Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Restricted Stock Unit Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

15. EFFECT ON OTHER EMPLOYEE BENEFIT PLANS. The value of the Award subject to this Restricted Stock Unit Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating the Employee's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

16. AMENDMENT. This Restricted Stock Unit Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Restricted Stock Unit Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Restricted Stock Unit Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Restricted Stock Unit Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

Exhibit 10.9

ENCORE CAPITAL GROUP, INC.
PERFORMANCE STOCK GRANT NOTICE
(2013 INCENTIVE COMPENSATION PLAN)

Encore Capital Group, Inc. (the ***"Company"***), pursuant to its 2013 Incentive Compensation Plan (the ***"Plan"***), hereby awards to Participant a Performance Stock Award for the number of shares of the Company's stock set forth below (the ***"Award"***). The Award is subject to all of the terms and conditions as set forth herein and in the Plan and the Performance Stock Agreement, both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Performance Stock Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control.

Participant:	[name]
Date of Grant:	June 6, 2013
Vesting Commencement Date:	See Vesting Schedule below
Number of Shares Subject to Award:	Minimum [1/2 number of Target shares]
	Target [x number of shares]
	Maximum [2x number of Target shares]
Consideration:	Participant's Services
Vesting Schedule:	[1/3 of Minimum] shares will Vest if FY 2013 EPS equals $3.34
	[1/3 of Target] shares will Vest if FY 2013 EPS equals $3.40
	[1/3 of Maximum] shares will Vest if FY 2013 EPS equals $3.59
	If FY 2013 EPS is between $3.34 and $3.40, then the number of shares between [1/3 of Minimum] and [1/3 of Target] that will Vest will be determined by linear interpolation.
	If FY 2013 EPS is between $3.40 and $3.59, then the number of shares between [1/3 of Target] and [1/3 of Maximum] that will Vest will be determined by linear interpolation.
	[1/3 of Minimum] shares will Vest if FY 2014 EPS equals $3.68
	[1/3 of Target] shares will Vest if FY 2014 EPS equals $3.81
	[1/3 of Maximum] shares will Vest if FY 2014 EPS equals $4.30
	If FY 2014 EPS is between $3.68 and $3.81, then the number of shares between [1/3 of Minimum] and [1/3 of Target] that will Vest will be determined by linear interpolation.
	If FY 2014 EPS is between $3.81 and $4.30, then the number of shares between [1/3 of Target] and [1/3 of Maximum] that will Vest will be determined by linear interpolation.
	[1/3 of Minimum] shares will Vest if FY 2015 EPS equals $3.97
	[1/3 of Target] shares will Vest if FY 2015 EPS equals $4.26
	[1/3 of Maximum] shares will Vest if FY 2015 EPS equals $5.17
	If FY 2015 EPS is between $3.97 and $4.26, then the number of shares between [1/3 of Minimum] and [1/3 of Target] that will Vest will be determined by linear interpolation.
	If FY 2015 EPS is between $4.26 and $5.17, then the number of shares between [1/3 of Target] and [1/3 of Maximum] that will Vest will be determined by linear interpolation.
	In addition, if the sum of FY 2013 EPS, FY 2014 EPS and FY 2015 EPS equals $11.00, then [Minimum] shares will Vest (less any shares already

Vested). If the sum of FY 2013 EPS, FY 2014 EPS and FY 2015 EPS equals $11.47, then [Target] shares will Vest (less any shares already Vested). If the sum of FY 2013 EPS, FY 2014 EPS and FY 2015 EPS equals $13.06, then [Maximum] shares will Vest (including already Vested portions of the Award). If the sum of FY 2013 EPS, FY 2014 EPS and FY 2015 EPS is between $11.00 and $11.47, then the number of shares that will Vest will be determined by linear interpolation (less any already Vested shares). If the sum of FY 2013 EPS, FY 2014 EPS and FY 2015 EPS is between $11.47 and $13.06, then the number of shares that will Vest will be determined by linear interpolation (less any already Vested shares).

Within 15 days of the release of the Company's audited financial statements for the applicable fiscal year, the Committee will certify in writing whether the EPS goal for such fiscal year has been met and determine the number of shares, if any, that will Vest based on the EPS achieved for such fiscal year. If the shares have not already been distributed to the Participant, the Company shall distribute such shares to the Participant within 10 days of the Committee's written certification.

In addition, the Vesting of the shares may accelerate in the sole discretion of the Committee and upon certain events described in the Performance Stock Agreement. Notwithstanding the foregoing, Vesting shall terminate upon the Participant's termination of Continuous Service.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Performance Stock Grant Notice, the Performance Stock Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Performance Stock Grant Notice, the Performance Stock Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the Award and supersede all prior oral and written agreements on that subject.

Participant further agrees that the Company may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). Participant also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify Participant by e-mail.

ENCORE CAPITAL GROUP, INC.:	**PARTICIPANT**:
By: _____	_____
Kenneth A. Vecchione	[name]
Title: Chief Executive Officer	

ATTACHMENTS: Performance Stock Agreement, 2013 Incentive Compensation Plan

ATTACHMENT I

ENCORE CAPITAL GROUP, INC.
2013 INCENTIVE COMPENSATION PLAN

PERFORMANCE STOCK AGREEMENT

Pursuant to the Performance Stock Grant Notice ("***Grant Notice***") and this Performance Stock Agreement and in consideration of your services, Encore Capital Group, Inc. (the "***Company***") has awarded you a performance stock award (the "***Award***") under its 2013 Incentive Compensation Plan (the "***Plan***") for the number of shares of the Company's Stock as indicated in the Grant Notice. Your Award is granted to you effective as of the Date of Grant set forth in the Grant Notice for this Award. Defined terms not explicitly defined in this Performance Stock Agreement shall have the same meanings given to them in the Plan. In the event of any conflict between the terms in this Performance Stock Agreement and the Plan, the terms of the Plan shall control.

In consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree that the details of your Award are as follows:

1. VESTING.

(a) In General. Subject to the limitations contained herein, your Award will Vest in accordance with the Vesting schedule provided in the Grant Notice, provided that Vesting will cease upon the termination of your Continuous Service. For purposes of this Award, ***"Continuous Service"*** means that your service with the Company or an Affiliate (as defined below), whether as an employee, director or consultant, is not interrupted or terminated. A change in the capacity in which you render service to the Company or an Affiliate as an employee, consultant or director or a change in the entity for which you render such service, provided that there is no interruption or termination of your service with the Company or an Affiliate, shall not terminate your Continuous Service. For example, a change in status from an employee of the Company to a consultant to an Affiliate or to a director shall not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or its compensation committee or any officer designated by the Board or its compensation committee, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of Vesting to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to you, or as otherwise required by law. For purposes of this Performance Stock Agreement, "***Affiliate***" means: (i) any Subsidiary; and (ii) any other entity in which the Company has an equity interest or significant business relationship and which has been designated as an "Affiliate" by the Committee for purposes of the Plan.

(b) Vesting Acceleration. Notwithstanding the foregoing, in the event (i) of the termination of your Continuous Service to the Company as a result of your death or Disability, or (ii) your employment is terminated without Cause (as defined below) or you resign your employment for Good Reason (as defined below) in connection with a Change of Control (as defined below) or within 12 months after a Change of Control, the Award shall be deemed to be fully (100%) Vested and eligible for settlement as of immediately prior to your death or Disability or as of your termination of employment following a Change of Control. The consummation of a Change of Control transaction in itself shall not be deemed a termination of employment entitling you to Vesting acceleration hereunder even if such event results your being employed by a different entity.

For purposes of this Performance Stock Agreement, "***Cause***" is defined as (i) your failure to adhere to any written policy of the Company that is legal and generally applicable to employees of the Company; (ii) your failure to substantially perform your duties, which failure amounts to a repeated and consistent neglect of your duties; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted misappropriation) of any of the Company's funds or property; (v) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, a crime of moral turpitude or any other crime with respect to which imprisonment is a possible punishment; (vi) conduct materially injurious to the Company's reputation or business; or (vii) willful misconduct.

For purposes of this Performance Stock Agreement, "***Change of Control***" means: (i) any sale, lease, exchange, or other transfer (in one transaction or series of related transactions) of all or substantially all the Company's assets to any person (as defined in Section 3(a)(9) of the Exchange Act) or group of related persons (as such term is defined under Section 13(d) of the Exchange Act, "Group"); (ii) the Company's stockholders approve and complete any plan or proposal for the liquidation or dissolution of the Company; (iii) any person or Group (other than Red Mountain Capital Partners LLC, JCF FPK I LP or any affiliate thereof) becomes the beneficial owner, directly or indirectly, of shares representing more than 50.1% of the aggregate voting power of the issued and outstanding stock entitled to vote in the election of directors of the Company ("Voting Stock") and such person or Group has the power and authority to vote such shares; or (iv) the completion of a merger, reorganization, consolidation or other corporate transaction involving the Company in which holders of the Company's Stock immediately before the completion of the transaction hold, directly or indirectly, immediately after the transaction, 50% or less of the common equity interest in the surviving corporation or other entity resulting from the transaction.

For purposes of this Performance Stock Agreement, a "***Good Reason***" is defined as any of the following reasons: (i) a material reduction in your base compensation; (ii) a material reduction in your authority, duties or responsibilities; (iii) a material reduction in the authority, duties or responsibilities of the person to whom you report; (iv) a material reduction in the budget over which you retain authority; or (v) a material change in the location at which you provide services for the Company (which is defined as any relocation by the Company of your employment to a location that is more than 35 miles from your present office location and is more than 35 miles from your primary residence at the time of such relocation, without your consent). To be eligible to receive the benefits set forth in this Section, (x) you must provide written notice of the "Good

Reason" condition to the Company within 90 days after the initial existence of such condition, (y) the Company must not have cured such condition within 30 days of receipt of your written notice or it must have stated unequivocally in writing that it does not intend to attempt to cure such condition; and (z) you resign from employment within 12 months following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

2. NUMBER OF SHARES. The number of shares subject to your Award will be determined by the achievement of the performance goals set forth in the Grant Notice. In addition, the number of shares subject to your Award may be adjusted from time to time for capitalization adjustments, as provided in the Plan.

3. SECURITIES LAW COMPLIANCE. You may not be issued any shares under your Award unless the shares are either: (i) then registered under the Securities Act of 1933, as amended; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act of 1933, as amended. Your Award also must comply with other applicable laws and regulations governing the Award, and you will not receive such shares if the Company determines that such receipt would not be in material compliance with such laws and regulations.

4. LIMITATIONS ON TRANSFER. Your Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the shares of Stock subject to the Award until the shares are Vested in accordance with this Performance Stock Agreement. After the shares have Vested, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein and applicable securities laws.

5. DIVIDENDS. You shall be entitled to receive payments equal to any cash dividends and other distributions paid with respect to the shares covered by your Award, provided that such distributions shall be converted into additional shares covered by the Award. If such distributions are paid in cash, you shall be credited with additional shares covered by the Award in an amount equal to (i) the amount of the dividends or other distributions paid on that number of shares equal to the aggregate number of shares covered by the Award as of that date divided by (ii) the Fair Market Value of a share as of such date. The additional shares credited shall be subject to the same Vesting and forfeiture restrictions as the shares covered by the Award with respect to which they relate.

6. RESTRICTIVE LEGENDS. The shares issued under your Award shall be endorsed with appropriate legends determined by the Company.

7. AWARD NOT A SERVICE CONTRACT.

(a) Your Continuous Service with the Company or an Affiliate is not for any specified term and may be terminated by you or by the Company or an Affiliate at any time, for any reason, with or without cause and with or without notice. Nothing in this Performance Stock Agreement (including, but not limited to, the Vesting of your Award pursuant to the schedule set forth in the Grant Notice), the Plan or any covenant of good faith and fair dealing that may be found

implicit in this Performance Stock Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Performance Stock Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Performance Stock Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future Vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue Vesting in the Award pursuant to the schedule set forth in the Grant Notice is earned only by continuing as an employee, director or consultant at the will of the Company (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "reorganization"). You further acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Performance Stock Agreement, including but not limited to, the termination of the right to continue Vesting in the Award. You further acknowledge and agree that this Performance Stock Agreement, the Plan, the transactions contemplated hereunder and the Vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Performance Stock Agreement, for any period, or at all, and shall not interfere in any way with your right or the Company's right to terminate your Continuous Service at any time, with or without cause and with or without notice.

8. WITHHOLDING OBLIGATIONS.

(a) On or before Vesting of the shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and/or any other amounts payable to you, provided that any such withholding will not be in excess of the minimum statutory withholding requirement, and otherwise agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with your Award. If permissible under applicable law, the Company may, in its sole discretion: (i) sell or arrange for the sale, on your behalf, of shares acquired by you to meet the withholding obligation and/or (ii) withhold in shares, provided that only the amount of shares necessary to satisfy the minimum withholding amount are withheld. The Company also reserves the right to require that you assume liability for any tax- and/or social insurance-related charges that may otherwise be due by the Company or an Affiliate with respect to the Award, if the Company determines in its sole discretion that such charges may legally be transferred to you. To the extent that liability for any such charges is transferred to you, such charges will be subject to the applicable withholding methods set forth in this Section 8.

(b) Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to remove the restrictive legends from the shares of Stock subject to your Award.

9. NOTICES. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

10. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award shall be transferable to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) For purposes of your personal tax planning, you may make an election under Section 83(b) of the Code within 30 days of the date of grant; however, this election by you will be in your sole discretion. We strongly advise you to consult with your personal legal, tax and financial advisors before you make such an election.

(c) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(d) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award, and fully understand all provisions of your Award.

(e) The Committee may, to the extent permitted under Section 162(m) of the Code , adjust performance goals to omit the effects of extraordinary items, gain or loss on the disposal of a business segment, unusual or infrequently occurring events and transactions and cumulative effects of changes in accounting principles, including, but not limited to, asset write-downs, litigation or claim judgments or settlements, changes in tax laws or other laws or provisions affecting reported results, any reorganization and restructuring programs, acquisitions or divestitures, and foreign exchange gains and losses.

11. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

12. SEVERABILITY. If all or any part of this Performance Stock Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Performance Stock Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Performance Stock Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

13. EFFECT ON OTHER EMPLOYEE BENEFIT PLANS. The value of the Award subject to this Performance Stock Agreement shall not be included as compensation, earnings, salaries, or

other similar terms used when calculating the Employee's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

14. AMENDMENT. This Performance Stock Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Performance Stock Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Performance Stock Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Performance Stock Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

Exhibit 10.10

ENCORE CAPITAL GROUP, INC.
PERFORMANCE STOCK UNIT GRANT NOTICE
(2013 INCENTIVE COMPENSATION PLAN)

Encore Capital Group, Inc. (the ***"Company"***), pursuant to its 2013 Incentive Compensation Plan (the ***"Plan"***), hereby awards to Participant a Performance Stock Unit Award for the number of shares of the Company's stock set forth below (the ***"Award"***). The Award is subject to all of the terms and conditions as set forth herein and in the Plan and the Performance Stock Unit Agreement, both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Performance Stock Unit Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control.

Participant:	[name]
Date of Grant:	June 6, 2013
Vesting Commencement Date:	See Vesting Schedule below
Number of Shares Subject to Award:	Minimum [1/2 number of Target shares]
	Target [x number of shares]
	Maximum [2x number of Target shares]
Consideration:	Participant's Services
Vesting Schedule:	[1/3 of Minimum] shares will Vest if FY 2013 EPS equals $3.34
	[1/3 of Target] shares will Vest if FY 2013 EPS equals $3.40
	[1/3 of Maximum] shares will Vest if FY 2013 EPS equals $3.59
	If FY 2013 EPS is between $3.34 and $3.40, then the number of shares between [1/3 of Minimum] and [1/3 of Target] that will Vest will be determined by linear interpolation.
	If FY 2013 EPS is between $3.40 and $3.59, then the number of shares between [1/3 of Target] and [1/3 of Maximum] that will Vest will be determined by linear interpolation.
	[1/3 of Minimum] shares will Vest if FY 2014 EPS equals $3.68
	[1/3 of Target] shares will Vest if FY 2014 EPS equals $3.81
	[1/3 of Maximum] shares will Vest if FY 2014 EPS equals $4.30
	If FY 2014 EPS is between $3.68 and $3.81, then the number of shares between [1/3 of Minimum] and [1/3 of Target] that will Vest will be determined by linear interpolation.
	If FY 2014 EPS is between $3.81 and $4.30, then the number of shares between [1/3 of Target] and [1/3 of Maximum] that will Vest will be determined by linear interpolation.
	[1/3 of Minimum] shares will Vest if FY 2015 EPS equals $3.97
	[1/3 of Target] shares will Vest if FY 2015 EPS equals $4.26
	[1/3 of Maximum] shares will Vest if FY 2015 EPS equals $5.17
	If FY 2015 EPS is between $3.97 and $4.26, then the number of shares between [1/3 of Minimum] and [1/3 of Target] that will Vest will be determined by linear interpolation.
	If FY 2015 EPS is between $4.26 and $5.17, then the number of shares between [1/3 of Target] and [1/3 of Maximum] that will Vest will be determined by linear interpolation.

	In addition, if the sum of FY 2013 EPS, FY 2014 EPS and FY 2015 EPS equals $11.00, then [Minimum] shares will Vest (less any shares already Vested). If the sum of FY 2013 EPS, FY 2014 EPS and FY 2015 EPS equals $11.47, then [Target] shares will Vest (less any shares already Vested). If the sum of FY 2013 EPS, FY 2014 EPS and FY 2015 EPS equals $13.06, then [Maximum] shares will Vest (including already Vested portions of the Award). If the sum of FY 2013 EPS, FY 2014 EPS and FY 2015 EPS is between $11.00 and $11.47, then the number of shares that will Vest will be determined by linear interpolation (less any already Vested shares). If the sum of FY 2013 EPS, FY 2014 EPS and FY 2015 EPS is between $11.47 and $13.06, then the number of shares that will Vest will be determined by linear interpolation (less any already Vested shares). Within 15 days of the release of the Company's audited financial statements for the applicable fiscal year, the Committee will certify in writing whether the EPS goal for such fiscal year has been met and determine the number of shares, if any, that will Vest based on the EPS achieved for such fiscal year. In addition, the Vesting of the shares may accelerate upon certain events described in the Performance Stock Unit Agreement. Notwithstanding the foregoing, Vesting shall terminate upon the Participant's termination of Continuous Service.
Issuance Schedule:	The shares will be issued in accordance with the issuance schedule set forth in Section 6 of the Performance Stock Unit Agreement.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Performance Stock Unit Grant Notice, the Performance Stock Unit Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Performance Stock Unit Grant Notice, the Performance Stock Unit Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the Award and supersede all prior oral and written agreements on that subject.

Participant further agrees that the Company may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). Participant also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify Participant by e-mail.

ENCORE CAPITAL GROUP, INC.:	**PARTICIPANT:**
By:	
Kenneth A. Vecchione	[name]
Title: Chief Executive Officer	Date:
Date:	

ATTACHMENTS: **Performance Stock Unit Agreement, 2013 Incentive Compensation Plan**

ATTACHMENT I

ENCORE CAPITAL GROUP, INC.
2013 INCENTIVE COMPENSATION PLAN

PERFORMANCE STOCK UNIT AGREEMENT

Pursuant to the Performance Stock Unit Grant Notice ("***Grant Notice***") and this Performance Stock Unit Agreement and in consideration of your services, Encore Capital Group, Inc. (the "***Company***") has awarded you a performance stock unit award (the "***Award***") under its 2013 Incentive Compensation Plan (the "***Plan***") for the number of shares of the Company's Stock as indicated in the Grant Notice. Your Award is granted to you effective as of the Date of Grant set forth in the Grant Notice for this Award. Defined terms not explicitly defined in this Performance Stock Unit Agreement shall have the same meanings given to them in the Plan. In the event of any conflict between the terms in this Performance Stock Unit Agreement and the Plan, the terms of the Plan shall control.

In consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree that the details of your Award are as follows:

1. VESTING.

(a) **In General.** Subject to the limitations contained herein, your Award will Vest in accordance with the Vesting schedule provided in the Grant Notice, provided that Vesting will cease upon the termination of your Continuous Service. For purposes of this Award, ***"Continuous Service"*** means that your service with the Company or an Affiliate (as defined below), whether as an employee, director or consultant, is not interrupted or terminated. A change in the capacity in which you render service to the Company or an Affiliate as an employee, consultant or director or a change in the entity for which you render such service, provided that there is no interruption or termination of your service with the Company or an Affiliate, shall not terminate your Continuous Service. For example, a change in status from an employee of the Company to a consultant to an Affiliate or to a director shall not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or its compensation committee or any officer designated by the Board or its compensation committee, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of Vesting to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to you, or as otherwise required by law. For purposes of this Performance Stock Unit Agreement, "Affiliate" means: (i) any Subsidiary; and (ii) any other entity in which the Company has an equity interest or significant business relationship and which has been designated as an "Affiliate" by the Committee for purposes of the Plan.

(b) **Vesting Acceleration**. Notwithstanding the foregoing, in the event (i) of the termination of your Continuous Service to the Company as a result of your death or Disability, or (ii) your employment is terminated without Cause (as defined below) or you resign your employment for Good Reason (as defined below) in connection with a Change of Control (as

defined below) or within 12 months after a Change of Control, the Award shall be deemed to be fully (100%) Vested and eligible for settlement as of immediately prior to your death or Disability or as of your termination of employment following a Change of Control. The consummation of a Change of Control transaction in itself shall not be deemed a termination of employment entitling you to Vesting acceleration hereunder even if such event results your being employed by a different entity.

For purposes of this Performance Stock Unit Agreement, "***Cause***" is defined as (i) your failure to adhere to any written policy of the Company that is legal and generally applicable to employees of the Company; (ii) your failure to substantially perform your duties, which failure amounts to a repeated and consistent neglect of your duties; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted misappropriation) of any of the Company's funds or property; (v) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, a crime of moral turpitude or any other crime with respect to which imprisonment is a possible punishment; (vi) conduct materially injurious to the Company's reputation or business; or (vii) willful misconduct.

For purposes of this Performance Stock Unit Agreement, "***Change of Control***" means: (i) any sale, lease, exchange, or other transfer (in one transaction or series of related transactions) of all or substantially all the Company's assets to any person (as defined in Section 3(a)(9) of the Exchange Act) or group of related persons (as such term is defined under Section 13(d) of the Exchange Act, "Group"); (ii) the Company's stockholders approve and complete any plan or proposal for the liquidation or dissolution of the Company; (iii) any person or Group (other than Red Mountain Capital Partners LLC, JCF FPK I LP or any affiliate thereof) becomes the beneficial owner, directly or indirectly, of shares representing more than 50.1% of the aggregate voting power of the issued and outstanding stock entitled to vote in the election of directors of the Company ("Voting Stock") and such person or Group has the power and authority to vote such shares; or (iv) the completion of a merger, reorganization, consolidation or other corporate transaction involving the Company in which holders of the Company's stock immediately before the completion of the transaction hold, directly or indirectly, immediately after the transaction, 50% or less of the common equity interest in the surviving corporation or other entity resulting from the transaction.

For purposes of this Performance Stock Unit Agreement, a "***Good Reason***" is defined as any of the following reasons: (i) a material reduction in your base compensation; (ii) a material reduction in your authority, duties or responsibilities; (iii) a material reduction in the authority, duties or responsibilities of the person to whom you report; (iv) a material reduction in the budget over which you retain authority; or (v) a material change in the location at which you provide services for the Company (which is defined as any relocation by the Company of your employment to a location that is more than 35 miles from your present office location and is more than 35 miles from your primary residence at the time of such relocation, without your consent). To be eligible to receive the benefits set forth in this Section, (x) you must provide written notice of the "Good Reason" condition to the Company within 90 days after the initial existence of such condition, (y) the Company must not have cured such condition within 30 days

of receipt of your written notice or it must have stated unequivocally in writing that it does not intend to attempt to cure such condition; and (z) you resign from employment within 12 months following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

2. NUMBER OF SHARES. The number of shares subject to your Award will be determined by the achievement of the performance goals set forth in the Grant Notice. In addition, the number of shares subject to your Award may be adjusted from time to time for capitalization adjustments, as provided in the Plan.

3. SECURITIES LAW COMPLIANCE. You may not be issued any shares under your Award unless the shares are either: (i) then registered under the Securities Act of 1933, as amended; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act of 1933, as amended. Your Award also must comply with other applicable laws and regulations governing the Award, and you will not receive such shares if the Company determines that such receipt would not be in material compliance with such laws and regulations.

4. LIMITATIONS ON TRANSFER. Your Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the shares of stock subject to the Award until the shares are issued to you in accordance with Section 6 of this Performance Stock Unit Agreement. After the shares have been issued to you, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein and applicable securities laws.

5. DIVIDENDS. You shall be entitled to receive payments equal to any cash dividends and other distributions paid with respect to a corresponding number of shares covered by your Award, provided that such distributions shall be converted into additional shares covered by the Award. If such distributions are paid in cash, you shall be credited with additional shares covered by the Award in an amount equal to (i) the amount of the dividends or other distributions paid on that number of shares equal to the aggregate number of shares covered by the Award as of that date divided by (ii) the Fair Market Value of a share as of such date. The additional shares credited as dividend equivalents shall be subject to the same Vesting and forfeiture restrictions as the shares covered by the Award with respect to which they relate.

6. DATE OF ISSUANCE.

(a) The Company will deliver to you a number of shares of the Company's stock equal to the number of Vested shares subject to your Award, including any additional shares received pursuant to Section 5 above that relate to those Vested shares, upon the Compensation Committee's written certification of the attainment of the performance objectives set forth in your Grant Notice; provided, however, that if the Company determines that you are subject to its policy regarding insider trading of the Company's stock or you are otherwise prohibited from selling shares of the Company's stock in the public market and any shares of Common Stock subject to your Award are scheduled to be delivered on a day (the "Original Distribution Date") that does not occur during an open "window period" applicable to you, as determined by the Company in accordance with such policy, or a day when you are prohibited from selling shares

of the Company's stock in the public market and the Company elects not to satisfy its tax withholding obligations by withholding shares from your distribution, then such shares shall not be delivered on such Original Distribution Date and shall instead be delivered as soon as practicable within the next open "window period" applicable to you pursuant to such policy or the next day when you are not prohibited from selling shares of the Company's stock in the public market; *provided, however,* that the delivery of the shares shall not be delayed pursuant to this provision beyond the later of: (a) December 31st of the same calendar year of the Original Distribution Date, or (b) the 15th day of the third calendar month following the Original Distribution Date.

(b) Notwithstanding the foregoing, if at the time the shares would otherwise be issued to you as a result of your separation from service, you are subject to the distribution limitations contained in Code Section 409A applicable to "key employees" as defined in Code Section 416(i), share issuances to you as a result of your separation from service shall not be made before the date which is six (6) months following the date of your separation from service, or, if earlier, the date of your death that occurs within such six (6) month period.

7. RESTRICTIVE LEGENDS. The shares issued under your Award shall be endorsed with appropriate legends determined by the Company.

8. AWARD NOT A SERVICE CONTRACT.

(a) Your Continuous Service with the Company or an Affiliate is not for any specified term and may be terminated by you or by the Company or an Affiliate at any time, for any reason, with or without cause and with or without notice. Nothing in this Performance Stock Unit Agreement (including, but not limited to, the Vesting of your Award pursuant to the schedule set forth in the Grant Notice), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Performance Stock Unit Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Performance Stock Unit Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Performance Stock Unit Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future Vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue Vesting in the Award pursuant to the schedule set forth in the Grant Notice is earned only by continuing as an employee, director or consultant at the will of the Company (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "reorganization"). You further acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Performance Stock Unit Agreement, including but not limited to, the termination of the right to continue Vesting in the Award. You further acknowledge and agree that this Performance Stock Unit Agreement, the Plan, the transactions

contemplated hereunder and the Vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Performance Stock Unit Agreement, for any period, or at all, and shall not interfere in any way with your right or the Company's right to terminate your Continuous Service at any time, with or without cause and with or without notice.

9. WITHHOLDING OBLIGATIONS.

(a) On or before the time you receive a distribution of shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and/or any other amounts payable to you, provided that any such withholding will not be in excess of the minimum statutory withholding requirement, and otherwise agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with your Award. If permissible under applicable law, the Company may, in its sole discretion: (i) sell or arrange for the sale, on your behalf, of shares acquired by you to meet the withholding obligation and/or (ii) withhold in shares, provided that only the amount of shares necessary to satisfy the minimum withholding amount are withheld. The Company also reserves the right to require that you assume liability for any tax- and/or social insurance-related charges that may otherwise be due by the Company or an Affiliate with respect to the Award, if the Company determines in its sole discretion that such charges may legally be transferred to you. To the extent that liability for any such charges is transferred to you, such charges will be subject to the applicable withholding methods set forth in this Section 9.

(b) Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to issue the shares of stock subject to your Award.

10. UNSECURED OBLIGATION. Your Award is unfunded, and as a holder of a Vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares pursuant to this Performance Stock Unit Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Performance Stock Unit Agreement until such shares are issued to you pursuant to Section 6 of this Performance Stock Unit Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Performance Stock Unit Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

11. NOTICES. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

12. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award shall be transferable to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award, and fully understand all provisions of your Award.

(d) The Committee may, to the extent permitted under Section 162(m) of the Code, adjust performance goals to omit the effects of extraordinary items, gain or loss on the disposal of a business segment, unusual or infrequently occurring events and transactions and cumulative effects of changes in accounting principles, including, but not limited to, asset write-downs, litigation or claim judgments or settlements, changes in tax laws or other laws or provisions affecting reported results, any reorganization and restructuring programs, acquisitions or divestitures, and foreign exchange gains and losses.

13. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

14. SEVERABILITY. If all or any part of this Performance Stock Unit Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Performance Stock Unit Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Performance Stock Unit Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

15. EFFECT ON OTHER EMPLOYEE BENEFIT PLANS. The value of the Award subject to this Performance Stock Unit Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating the Employee's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

16. AMENDMENT. This Performance Stock Unit Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Performance Stock Unit Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Performance Stock Unit Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Performance

Stock Unit Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

Exhibit 10.11

ENCORE CAPITAL GROUP, INC.
RESTRICTED STOCK UNIT GRANT NOTICE
(2013 INCENTIVE COMPENSATION PLAN)

Encore Capital Group, Inc. (the "***Company***") pursuant to its 2013 Incentive Compensation Plan (as amended, the "***Plan***"), hereby awards to Participant a Restricted Stock Unit award for the number of shares of the Company's Stock set forth below (the "***Award***"). The Award is subject to all of the terms and conditions as set forth herein and in the Restricted Stock Unit Agreement and the Plan, both of which are attached hereto as Attachments I and II, respectively, and incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Restricted Stock Unit Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control.

Participant:	[name]
Date of Grant:	[date]
Vesting Commencement Date:	See Vesting Schedule below
Number of Shares Subject to Award:	[number]
Consideration:	Participant's Services

Vesting Schedule:	The shares underlying the Award shall vest immediately upon grant.
Issuance Schedule:	The shares will be issued in accordance with the issuance schedule set forth in Section 6 of the Restricted Stock Unit Agreement

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Restricted Stock Unit Grant Notice, the Restricted Stock Unit Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Unit Grant Notice, the Restricted Stock Unit Agreement and the Plan set forth the entire understanding between Pal1icipant and the Company regarding the Award and supersede all prior oral and written agreements on that subject.

Participant further agrees that the Company may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). Participant also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify Participant by e-mail.

ENCORE CAPITAL GROUP, INC.:

By: _____
[name]

Title: _____

Date: _____

PARTICIPANT:

_____
[name]

Date: _____

ATTACHMENTS: Restricted Stock Unit Agreement, 2013 Incentive Compensation Plan

ATTACHMENT I

ENCORE CAPITAL GROUP, INC.
2013 INCENTIVE COMPENSATION PLAN

RESTRICTED STOCK UNIT AGREEMENT – NON-EMPLOYEE DIRECTOR

Pursuant to the Restricted Stock Unit Grant Notice "***Grant Notice***") and this Restricted Stock Unit Agreement and in consideration of your services, Encore Capital Group, Inc. (the "***Company***") has awarded you a restricted stock unit award (the "***Award***") under its 2013 Incentive Compensation Plan (as amended, the "***Plan***") for the number of shares of the Company's Stock as indicated in the Grant Notice. Your Award is granted to you effective as of the Date of Grant set forth in the Grant Notice for this Award. Defined terms not explicitly defined in this Restricted Stock Unit Agreement shall have the same meanings given to them in the Plan. In the event of any conflict between the terms in this Restricted Stock Unit Agreement and the Plan, the terms of the Plan shall control.

In consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree that the details of your Award are as follows:

1. VESTING. The shares underlying the A ward shall vest immediately upon grant.

2. NUMBER OF SHARES. The number of shares subject to your Award may be adjusted from time to time for capitalization adjustments, as provided in the Plan.

3. SECURITIES LAW COMPLIANCE. You may not be issued any shares under your Award unless the shares are either: (i) then registered under the Securities Act of 1933; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act of 1933. Your Award also must comply with other applicable laws and regulations governing the Award, and you will not receive such shares if the Company determines that such receipt would not be in material compliance with such laws and regulations.

4. LIMITATIONS ON TRANSFER. Your Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the shares of Stock subject to the Award until the shares are issued to you in accordance with Section 6 of this Restricted Stock Unit Agreement. After the shares have been issued to you, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein and applicable securities laws.

5. DIVIDEND EQUIVALENTS You shall be entitled to receive payments equal to any cash dividends, stock dividends, and/or any other distributions paid with respect to a corresponding number of shares covered by your Award, at the same time and in the same manner as such payments are made to shareholders of the Company's Stock.

6. DATE OF ISSUANCE.

(a) The Company will deliver to you a number of shares of the Company's Stock equal to the number of vested shares subject to your Award no later than the 10th day immediately following the date that you are no longer serving as a member of the Board; provided, however, that if the Company determines that you are subject to its policy regarding insider trading of the Company' s stock or you are otherwise prohibited from selling shares of the Company's stock in the public market and any shares of Stock subject to your Award are scheduled to be delivered on a day (the "***Original Distribution Date***") that does not occur during an open "window period" applicable to you, as determined by the Company in accordance with such policy, or a day when you are prohibited from selling shares of the Company' s stock in the public market and the Company elects not to satisfy its tax withholding obligations by withholding shares from your distribution, then such shares shall not be delivered on such Original Distribution Date and shall instead be delivered as soon as practicable within the next open "window period" applicable to you pursuant to such policy or the next day when you are not prohibited from selling shares of the Company's Stock in the public market; *provided, however,* that the delivery of the shares shall not be delayed pursuant to this provision beyond the later of: (a) December 31st of the same calendar year of the Original Distribution Date, or (b) the 15th day of the third calendar month following the Original Distribution Date.

(b) (b) Notwithstanding the foregoing, if at the time the shares would otherwise be issued to you as a result of your "separation from service" (as such term is used under Internal Revenue Code Section 409A and the regulations promulgated thereunder ("***Code Section 409A***"), and you are subject to the distribution limitations contained in Code Section 409A applicable to "specified employees" (as defined under Code Section 409A), then share issuances to you as a result of your separation from service shall not be made before the date which is 6 months following the date of your separation from service, or, if earlier, the date of your death that occurs within such 6-month period.

7. RESTRICTIVE LEGENDS. The shares issued under your Award shall be endorsed with appropriate legends determined by the Company.

8. CLAWBACK. Notwithstanding anything contained in this Restrictive Stock Unit Agreement to the contrary, if it is determined, in the sole discretion of the Board by the affirmative vote of not less than a majority of the entire membership of the Board but excluding you (the "***Voting Members***"), by a resolution duly adopted by the Voting Members, that you have not earned all or a portion of the Award due to your acting or failing to act in the Company's best interests during your tenure on the Board or as a result of your failure to complete a full term of Board service for any reason, then the Award or any portion thereof as determined by the Voting Members shall as of the date of the adoption of such resolution be subject to forfeiture and all of your rights to or with respect to such forfeited Award shall terminate.

9. WITHHOLDING OBLIGATIONS (IF APPLICABLE).

(a) On or before the time you receive a distribution of shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize withholding

from payroll and/or any other amounts payable to you, provided that any such withholding will not be in excess of the minimum statutory withholding requirement, and otherwise agree to make adequate provision for any sums required to satisfy the federal , state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with your Award. If permissible under applicable law, the Company may, in its sole discretion: (i) sell or arrange for the sale, on your behalf, of shares acquired by you to meet the withholding obligation and/or (ii) withhold in shares, provided that only the amount of shares necessary to satisfy the minimum withholding amount are withheld . The Company also reserves the right to require that you assume liability for any tax- and/or social insurance-related charges that may otherwise be due by the Company or an Affiliate with respect to the Award, if the Company determines in its sole discretion that such charges may legally be transferred to you. To the extent that liability for any such charges is transferred to you, such charges will be subject to the applicable withholding methods set forth in this Section 9.

(b) Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, as determined by the Company in its sole discretion, the Company shall have no obligation to issue the shares of Stock subject to your Award.

10. UNSECURED OBLIGATION. The shares issued under your Award shall be endorsed with appropriate legends determined by the Company. Your Award is unfunded, and as a holder of a vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares pursuant to this Restricted Stock Unit Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Restricted Stock Unit Agreement until such shares are issued to you pursuant to Section 6 of this Restricted Stock Unit Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Restricted Stock Unit Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

11. NOTICES. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, 5 days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

12. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award shall be transferable to anyone or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award, and fully understand all provisions of your Award.

13. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your A ward, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

14. SEVERABILITY. If all or any part of this Restricted Stock Unit Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Restricted Stock Unit Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Restricted Stock Unit Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

15. EFFECT ON OTHER EMPLOYMENT BENEFIT PLANS. The value of the Award subject to this Restricted Stock Unit Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating the Employee's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

16. AMENDMENT. This Restricted Stock Unit Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Restricted Stock Unit Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Restricted Stock Unit Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Restricted Stock Unit Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

Exhibit 10.12

INCREMENTAL FACILITY AGREEMENT

May 9, 2013

Encore Capital Group, Inc.
3111 Camino Del Rio North
Suite 1300
San Diego, California
Attention: Chief Financial Officer

Re: Incremental Facility Agreement

Ladies and Gentlemen:

Reference is hereby made to that certain Amended and Restated Credit Agreement, dated as of November 5, 2012, as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement dated as of the date hereof (as so amended, and as the same may be further amended, restated, modified, supplemented, extended or replaced from time to time, the "Credit Agreement"), by and among Encore Capital Group, Inc. ("Borrower"), the several banks and other financial institutions and lenders from time to time party thereto (the "Lenders"), SunTrust Bank, as administrative agent (in such capacity, the "Administrative Agent") and collateral agent, issuing bank and swingline lender. Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings set forth in the Credit Agreement. This Incremental Facility Agreement (i) is an "Incremental Facility Amendment" (as defined in the Credit Agreement) and the Credit Agreement is hereby amended in accordance with the terms and conditions herein and (ii) shall be deemed to be a "Loan Document" under the Credit Agreement.

At the request of the Borrower, each of the lenders identified on the signature pages hereto (each, an "Incremental Lender" and collectively, the "Incremental Lenders") hereby agrees, severally and not jointly, to provide (i) an Incremental Revolving Commitment to the Borrower in the amount set forth opposite such Incremental Lender's name under the heading "Incremental Revolving Commitment" on Annex I attached hereto (as to each Incremental Lender, the "Incremental Revolving Commitment") and (ii) a commitment to make Incremental Term Loans to the Borrower in the amount set forth opposite such Incremental Lender's name under the heading "Incremental DDTL Commitment" on Annex I attached hereto (as to each Incremental Lender, the "Incremental DDTL Commitment" and together with the Incremental Revolving Commitment of such Incremental Lender, the "Incremental Commitments"; the Incremental Commitments, together with the Incremental Term Loans funded pursuant to the Incremental DDTL Commitment and the Incremental Revolving Loans funded pursuant to the Incremental Revolving Commitment, the "Incremental Facility"), which Incremental Term Loans may be made, at the option of the Borrower, in a single Borrowing in a single tranche on any Business Day from the date hereof through the DDTL Commitment Termination Date (defined below) (such period, the "DDTL Commitment Period"); provided that the Borrower shall give the Administrative Agent written notice no later than 11:00 a.m. (Eastern Time) (x) one (1) Business Day prior to the date of the requested Borrowing in the case of a Base Rate Borrowing or (y) three (3) Business Days prior to the date of the requested Borrowing in the case of a Eurodollar Borrowing in substantially the form of Exhibit I attached hereto. Except as expressly provided otherwise herein, the Incremental Facility provided pursuant to this Agreement shall be subject to all of the terms and conditions set forth in the Credit Agreement. As used herein, the "DDTL Commitment Termination Date" shall mean the earliest to occur of (i) the date that is

ninety (90) days following the date hereof, (ii) the date that the Incremental DDTL Commitment is permanently reduced to zero or otherwise terminated pursuant to the immediately succeeding paragraph below, (iii) the date on which the Asset Acceptance Acquisition is consummated (and, to the extent the Asset Acceptance Acquisition is to be funded under the Incremental DDTL Commitments, the Incremental Term Loans are drawn on such date) and (iv) the date on which all Incremental Term Loans have been made by the Incremental Lenders to the Borrower.

The Borrower may, upon not less than three (3) Business Days' prior written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent (which notice shall be irrevocable), reduce in part the Incremental DDTL Commitment, or terminate the Incremental DDTL Commitment in whole; provided that (i) any partial reduction shall apply to reduce proportionately and permanently the Incremental DDTL Commitment of each Incremental Lender and (ii) any partial reduction shall be in an amount of at least $5,000,000 and any larger multiple of $1,000,000. The Incremental DDTL Commitment will terminate upon the occurrence of any Event of Default in accordance with Section 8.2 of the Credit Agreement.

During the DDTL Commitment Period, the Borrower shall pay to each Incremental Lender holding an Incremental DDTL Commitment a ticking fee (the "DDTL Ticking Fee") in an amount equal to the Applicable Percentage per annum *multiplied by* the amount of the Incremental DDTL Commitment of such Incremental Lender outstanding each day, whether or not any borrowing of Incremental Term Loans occurs. The DDTL Ticking Fee shall accrue from the date hereof through and including the DDTL Commitment Termination Date and shall be payable (i) monthly on the last day of each month during the DDTL Commitment Period, beginning on May 31, 2013 and (ii) on the DDTL Commitment Termination Date. The DDTL Ticking Fee shall be in addition to any fees owing by the Borrower pursuant to Section 2.14(b) through (d) of the Credit Agreement.

Each Incremental Lender, the Borrower and the Administrative Agent acknowledges and agrees that the Incremental Revolving Commitment provided pursuant to this Agreement shall constitute a "Revolving Commitment" and any Incremental Term Loan provided pursuant to this Agreement shall constitute a "Term Loan", in each case for all purposes of the Credit Agreement and the other applicable Loan Documents. Furthermore, each of the parties to this Agreement hereby agrees (i) to the terms set forth on Annex I hereto in respect of the Incremental Facility, (ii) that the Incremental Revolving Commitment, and the Revolving Loans funded thereunder, shall be on the same terms and conditions as the Revolving Commitments and Revolving Loans under the Credit Agreement, (iii) that, except as otherwise expressly set forth herein, the Incremental Term Loans shall be on the same terms and conditions as the Term Loans under the Credit Agreement and (iv) Schedule II-A to the Credit Agreement is hereby amended as reflected under the heading "Incremental Lender Commitments" in Annex I hereto.

Each Incremental Lender hereby (i) confirms that it has received a copy of the Credit Agreement and the other Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and, in the case of any Incremental Lender that is not an existing Lender, to become a Lender under the Credit Agreement pursuant to a Lender Joinder Agreement substantially in the form attached as Annex II hereto, (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement and the other Loan Documents, (iii) irrevocably authorizes the Administrative Agent to take such action on its behalf under this Agreement, the other Loan Documents and any other instruments and agreements referred to herein or therein and to exercise such powers and to perform such duties thereunder as are specifically delegated to or required of the Administrative Agent by the terms thereof and such other powers as are reasonably incidental thereto, (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of

the Credit Agreement and the other Loan Documents are required to be performed by it as a Lender and (v) in the case any such Incremental Lender is a Foreign Lender, attaches the forms and/or certificates referred to in Section 2.20(g) of the Credit Agreement, certifying as to its entitlement as of the date hereof to a complete exemption from, or a reduction of, United States withholding taxes with respect to all payments to be made to it by the Borrower under the Credit Agreement and the other Loan Documents.

Upon the date of (i) the execution of a counterpart of this Agreement by each Incremental Lender, the Administrative Agent, the Borrower and each Guarantor, (ii) the delivery to the Administrative Agent of a fully executed counterpart (including by way of facsimile or other form of electronic transmission permitted under the Credit Agreement) hereof, (iii) the payment of any fees then earned, due and payable in connection herewith and (iv) the satisfaction (or waiver in writing) of any other conditions precedent set forth in Section 4 of Annex I hereto (such date, the "Agreement Effective Date"), each Incremental Lender (a) shall be obligated to fund Revolving Loans and Incremental Term Loans provided to be made by it, and participate in Letters of Credit and Swingline Loans required to be participated in by it, in each case as provided in this Agreement on the terms, and subject to the conditions, set forth in the Credit Agreement and in this Agreement, and (b) to the extent provided in this Agreement, shall have the rights and obligations of a Lender thereunder and under the other applicable Loan Documents.

Each of the Borrower and each Guarantor acknowledges and agrees that (i) it shall be liable for all Obligations with respect to the Incremental Facility created hereunder and (ii) all such Obligations (including the Incremental Revolving Loans, the Incremental Term Loans and the obligations to pay the DDTL Ticking Fee) shall constitute (and be included in the definition of) "Secured Obligations" under the Credit Agreement and be entitled to the benefits of the respective Collateral Documents and the Guaranty Agreement as, and to the extent, provided in the Credit Agreement and in such other Loan Documents.

Attached hereto as Annex III is the officer's certificate required pursuant to Section 2.24(a) of the Credit Agreement certifying as to compliance with clauses (i), (ii) and (iii) of such Section and containing the calculations (in reasonable detail) required by such clause (ii) thereof.

The Borrower may accept this Agreement by signing the enclosed copies in the space provided below, and returning one copy of same to each Incremental Lender and one copy to the Administrative Agent before the close of business on May 9, 2013. If the Borrower does not so accept this Agreement by such time, the obligations of the Incremental Lenders to provide the Incremental Facility set forth in this Agreement shall be deemed canceled and of no force or effect.

After the execution and delivery to the Administrative Agent of a fully executed copy of this Agreement (including by way of counterparts and by facsimile transmission) by the parties hereto, this Agreement may only be changed, modified or varied by written instrument in accordance with the requirements for the modification of Loan Documents pursuant to Section 10.2 of the Credit Agreement.

THIS AGREEMENT AND THE OBLIGATIONS HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES (BUT, IN ANY EVENT, GIVING EFFECT TO SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

[Signature Pages Follow]

Very truly yours,

Amalgamated Bank, as Lender

By: /s/ Jackson Eng
Name: Jackson Eng
Title: First Vice President

CATHAY BANK, CALIFORNIA BANKING CORPORATION, as Lender

By: /s/ Shahid Kathrada
Name: Shahid Kathrada
Title: Vice President

Chang Hwa Commercial Bank, Ltd., New York Branch, as Lender

By: /s/ Eric Y.S. Tsai
Name: Eric Y.S. Tsai
Title: V.P. & General Manager

Citibank N.A., as Lender

By: /s/ Rita Raychaudhuri
Name: Rita Raychaudhuri
Title: Senior Vice President

Fifth Third Bank, as Lender

By: /s/ Gregory J Vollmer
Name: Gregory J Vollmer
Title: Vice President

First Bank, as Lender

By: /s/ Susan J. Pepping
Name: Susan J. Pepping
Title: Senior Vice President

FLAGSTAR BANK, as Lender

By: /s/ Thomas Kuslits
Name: Thomas Kuslits
Title: Executive Vice President

ING Capital LLC, as Lender

By: /s/ Mary Forstner
Name: Mary Forstner
Title: Director

ThePrivateBank and Trust Company, as Lender

By: /s/ Amy Spachner
Name: Amy Spachner
Title: Officer

Raymond James Bank, N.A., as Lender

By: /s/ Kathy Bennett
Name: Kathy Bennett
Title: Vice President

RBS CITIZENS, N.A., as Lender

By: /s/ Megan Livingston
Name: Megan Livingston
Title: Vice President

TORREY PINES BANK, as Lender

By: /s/ Robert McNamara
Name: Robert McNamara
Title: Senior Vice President

Union Bank, as Lender

By: /s/ Edmund Ozorio
Name: Edmund Ozorio
Title: Vice President

Signature Page to
Incremental Facility Agreement

Agreed and Accepted as of the date first written above:

SUNTRUST BANK, as Administrative Agent,
Issuing Bank and Swingline Lender

By: /s/ Peter Wesemeier
Name: Peter Wesemeier
Title: Vice President

Agreed and Accepted as of the date first written above:

ENCORE CAPITAL GROUP, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: CEO

Each Guarantor acknowledges and agrees to each the foregoing provisions of this Incremental Facility Agreement and to the establishment of the Incremental Facility and the Obligations incurred related thereto.

MIDLAND CREDIT MANAGEMENT, INC.
MIDLAND FUNDING LLC
MIDLAND PORTFOLIO SERVICES, INC.
MIDLAND FUNDING NCC-2 CORPORATION
MIDLAND INTERNATIONAL LLC
MRC RECEIVABLES CORPORATION
PROPEL ACQUISITION, LLC

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND INDIA LLC

By: /s/ Glen V. Freter
Name: Glen V. Freter
Title: Treasurer

ANNEX I

TERMS AND CONDITIONS FOR
INCREMENTAL FACILITY AGREEMENT

1. Name of Borrower: Encore Capital Group, Inc., a Delaware limited liability company.
2. Date upon which Incremental Revolving Commitment is to become effective: May 9, 2013.
3. Date upon which the Incremental DDTL Commitment is to become effective: May 9, 2013.
4. Date upon which the Incremental Revolving Loans mature: the Revolving Commitment Termination Date.
5. Date upon which the Incremental Term Loans mature: Six months from the date of funding of the Incremental Term Loans (the "Funding Date")
6. Amortization of Incremental Term Loans: the Incremental Term Loans will amortize in six equal monthly installments, with the first such payment to be made on the date one month after the Funding Date.
7. Applicable Margin for Incremental Facility (including Incremental Term Loans): Identical to the "Applicable Margin" (as defined in the Credit Agreement) with respect to Revolving Loans (Schedule I-A to the Credit Agreement).
8. Applicable Percentage for DDTL Ticking Fee: Identical to the "Applicable Percentage" (as defined in the Credit Agreement) with respect to Revolving Loans (Schedule 1-A to the Credit Agreement.
9. Interest payments: Interest in respect of the Incremental Term Loans shall be due and payable on the same date on which principal in respect of the Incremental Term Loans is due and payable.
10. Collateral: The Incremental Facility shall be secured by the same Collateral and shall have the same priority as the other Loans under the Credit Agreement.
11. Use of Proceeds: The Incremental DDTL Commitment, and the proceeds of all the Incremental Term Loans funded thereunder, shall be used solely to pay a portion of purchase price of the Asset Acceptance Acquisition.
12. Other Conditions Precedent:
    (a) Officer's Certificate: The Administrative Agent shall have received a certificate signed by a Responsible Officer substantially in the form attached as Annex III;
    (b) Legal Opinion: The Administrative Agent shall have received a favorable written opinion of Pillsbury Winthrop Shaw Pittman LLC addressed to the Administrative Agent and each Incremental Lender covering such matters relating to the Borrower and the transactions contemplated under the Incremental Facility Agreement as the Administrative Agent or Barclays shall reasonably request; and
    (c) Satisfaction of Conditions in Section 3.2: At the time of proposed funding of each Incremental Facility, the conditions precedent set forth in Section 3.2 of the Credit Agreement shall have been satisfied.

13. Incremental Lender Commitments:

Incremental Lender	Incremental Revolving Commitment	Incremental DDTL Commitment	Total Incremental Facilities
RBS Citizens, N.A.	$ 26,250,000.00	$ 8,750,000.00	$ 35,000,000.00
ING Capital, LLC	$ 18,750,000.00	$ 6,250,000.00	$ 25,000,000.00
Flagstar Bank, fsb	$ 18,750,000.00	$ 6,250,000.00	$ 25,000,000.00
The PrivateBank and Trust Company	$ 18,750,000.00	$ 6,250,000.00	$ 25,000,000.00
Torrey Pines Bank	$ 22,000,000.00	$ 3,000,000.00	$ 25,000,000.00
Raymond James Bank, N.A.	$ 15,000,000.00	$ 5,000,000.00	$ 20,000,000.00
Citibank, N.A.	$ 11,250,000.00	$ 3,750,000.00	$ 15,000,000.00
Chang Hwa Commercial Bank, Ltd., New York Branch	$ 11,250,000.00	$ 3,750,000.00	$ 15,000,000.00
Fifth Third Bank	$ 10,000,000.00	$ 0	$ 10,000,000.00
Union Bank	$ 7,500,000.00	$ 2,500,000.00	$ 10,000,000.00
Amalgamated Bank	$ 3,750,000.00	$ 1,250,000.00	$ 5,000,000.00
Cathay Bank, California Banking Corporation	$ 3,750,000.00	$ 1,250,000.00	$ 5,000,000.00
First Bank	$ 1,875,000.00	$ 625,000.00	$ 2,500,000.00
TOTAL	**$ 168,875,000.00**	**$48,625,000.00**	**$217,500,000.00**

Annex I

ANNEX II

FORM OF LENDER JOINDER AGREEMENT

This LENDER JOINDER AGREEMENT, is made this May 9, 2013 (the "Joinder Agreement" or this "Agreement"), by and among **[NEW LENDERS]** (each, a "New Lender" and, collectively, the "New Lenders"), ENCORE CAPITAL GROUP, INC. a Delaware corporation (the "Borrower"), and SUNTRUST BANK, in its capacity as administrative agent (the "Administrative Agent") under the Credit Agreement referenced below.

RECITALS:

WHEREAS, reference is hereby made to (i) the Amended and Restated Credit Agreement, dated as of November 5, 2012, as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement dated as of the date hereof (as so amended, and as the same may be further amended, restated, modified, supplemented, extended or replaced from time to time, the "Credit Agreement"), by and among the Borrower, the several banks and other financial institutions and lenders from time to time party thereto (the "Lenders") and the Administrative Agent and (ii) that certain Incremental Facility Agreement, dated as of the date hereof (the "Incremental Facility Agreement"), by and among the Borrower, the Lenders signatory thereto, each New Lender and the Administrative Agent. Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings set forth in the Credit Agreement.

WHEREAS, subject to the terms and conditions of the Credit Agreement, the Borrower may establish Incremental Facilities with Additional Lenders who will become Lenders under the Credit Agreement by, among other things, entering into this Joinder Agreement; and

WHEREAS, each New Lender has agreed to provide Incremental Commitments (as defined in the Incremental Facility Agreement) pursuant to the Incremental Facility Agreement and to become a Lender for all purposes under the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, each New Lenders agrees as follows:

1. Subject to the terms and conditions hereof and of the Credit Agreement, each of the New Lenders hereby agrees to become a "Lender" under the Credit Agreement with the Commitments as set forth in the Incremental Facility Agreement.

2. Each New Lender hereby (i) confirms that it has received a copy of the Credit Agreement and the other Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and the Incremental Facility Agreement and to become a Lender under the Credit Agreement, (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement and the other Loan Documents, (iii) irrevocably authorizes the Administrative Agent to take such action on its behalf under the Credit Agreement, the other Loan Documents and any other instruments and agreements referred to herein or therein and to exercise such powers and to perform such duties thereunder as are specifically delegated to or required of the Administrative Agent by the terms thereof and such other powers as are reasonably incidental thereto, (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement and the other Loan Documents are required to be performed by it as a Lender and (v) in the case any such Incremental Lender is a Foreign Lender, attaches the forms and/or certificates referred to in Section 2.20(g) of the Credit Agreement, certifying as to its entitlement as of the date hereof to a complete exemption from, or a reduction of, United States withholding taxes with respect to all payments to be made to it by the Borrower under the Credit Agreement and the other Loan Documents.

3. Each New Lender agrees to provide its Incremental Commitment as set forth in the Incremental Facility Agreement.

4. Each New Lender acknowledges and agrees that upon its execution of this Agreement and the provision of its Incremental Commitments, such New Lender shall become a "Lender" under, and for all purposes of, the Credit Agreement and the other Loan Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder.

5. For purposes of Section 10.1 of the Credit Agreement, the initial notice address of each New Lender shall be as set forth below its signature below.

6. Upon execution, delivery and effectiveness hereof, the Administrative Agent will record the Incremental Commitments provided by each New Lender and any Loans funded thereunder in the Register.

7. This Agreement may not be amended, waived, supplemented or otherwise modified except (i) prior to the effectiveness of this Agreement, by an instrument or instruments in writing signed and delivered on behalf of each of the parties hereto, and (ii) upon and following the effectiveness of this Agreement, as provided by Section 10.2 of the Credit Agreement.

8. This Agreement, the Credit Agreement, the Incremental Facility Agreement and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

9. **THIS AGREEMENT AND THE OBLIGATIONS HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES (BUT, IN ANY EVENT, GIVING EFFECT TO SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).**

10. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Lender Joinder Agreement as of the date first set forth above.

[NEW LENDER]

By: _____
Name: _____
Title: _____
Notice Address:
Attention:
Telephone:
Facsimile:

[NEW LENDER]

By: _____
Name: _____
Title: _____
Notice Address:
Attention:
Telephone:
Facsimile:

[NEW LENDER]

By: _____
Name: _____
Title: _____
Notice Address:
Attention:
Telephone:
Facsimile:

[NEW LENDER]

By: _____
Name: _____
Title: _____
Notice Address:
Attention:
Telephone:
Facsimile:

Agreed and Accepted as of the date first written above:

ENCORE CAPITAL GROUP, INC.

By: _____
Name: _____
Title: _____

Agreed and Accepted as of the date first written above:

SUNTRUST BANK, as Administrative Agent,
Issuing Bank and Swingline Lender

By: _____
Name: _____
Title: _____

ANNEX III

OFFICER'S CERTIFICATE
May , 2013

This Officer's Certificate is being executed and delivered in connection with that certain Incremental Facility Agreement, dated as of the date hereof (the "Incremental Facility Agreement") by and among Encore Capital Group, Inc. (the "Borrower"), each lender signatory thereto (each, an "Incremental Lender" and collectively, the "Incremental Lenders") and SunTrust Bank, as administrative agent (the "Agent") under that certain Amended and Restated Credit Agreement, as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement dated as of the date hereof (as so amended, and as the same may be further amended, restated, modified, supplemented, extended or replaced from time to time, the "Credit Agreement"), by and among the Borrower, the several banks and other financial institutions and lenders from time to time party thereto (the "Lenders"), the Agent, in its capacity as administrative agent for the Lenders, as collateral agent for the Secured Parties, as issuing bank and as swingline lender and the other agents and arrangers party thereto, pursuant to which each Incremental Lender is willing to extend to the Borrower an Incremental Revolving Commitment and an Incremental DDTL Commitment. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The undersigned, a Responsible Officer of the Borrower, in such capacity and not individually, hereby certifies on behalf of the Borrower the following:

(a) no Default or Event of Default has occurred and is continuing or will result from the consummation of the transactions contemplated by the Incremental Facility Agreement;

(b) the Borrower and its Subsidiaries are in pro forma compliance with each of the covenants set forth in Article VI of the Credit Agreement as of the last day of the most recently ended Fiscal Quarter after giving effect to the Incremental Revolving Commitment and the Incremental DDTL Commitment to be provided by each Incremental Lender (assuming for such purpose that both the Incremental Revolving Commitment and the Incremental DDTL Commitment are fully drawn at such time) and attached hereto as Exhibit A are the calculations (in reasonable detail) demonstrating such compliance;

(c) all of the conditions set forth in Section 3.2 of the Credit Agreement have been satisfied; and

(d) attached hereto as Exhibit B is a true and correct copy of the resolutions of the Borrower which approve the incurrence of the Incremental Facility.

[*Signature page follows*]

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate to be effective as of the date first written above.

ENCORE CAPITAL GROUP, INC.

By: _____
Name:
Title:

[Signature Page to Officer's Certificate]

EXHIBIT A

Covenant Compliance Calculations

EXHIBIT B

RESOLUTIONS

See attached.

EXHIBIT I

FORM OF NOTICE OF INCREMTAL TERM LOAN BORROWING

, 2013

SunTrust Bank,
as Administrative Agent
for the Lenders referred to below
303 Peachtree Street, N.E.
Atlanta, Georgia 30308

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of November 5, 2012, as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement dated as of the date hereof (as so amended, and as the same may be further amended, restated, modified, supplemented, extended or replaced from time to time, the "Credit Agreement"), by and among Encore Capital Group, Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions and lenders from time to time party thereto (the "Lenders"), SunTrust Bank, in its capacity as administrative agent for the Lenders (the "Administrative Agent"), as collateral agent for the Secured Parties, as issuing bank and as swingline lender and the other agents and arrangers party thereto. Capitalized terms used herein but not defined herein shall have the meaning assigned to such terms in the Credit Agreement. This notice constitutes a Notice of Incremental Term Loan Borrowing, and the Borrower hereby requests a Borrowing of Incremental Term Loans under the Credit Agreement, and in that connection the Borrower hereby specifies the following information with respect to such Borrowing requested hereby[1]:

A. The aggregate amount of the proposed Borrowing is $.

B. The Business Day of the proposed Borrowing is , 2013.

C. The Borrowing is to be comprised of **[Eurodollar]/[Base Rate]**[2] Loans.

D. **[The duration of the Interest Period for the Eurodollar Loans included in the Borrowing shall be [•] months.]**[3]

[1] Notice must be provided in writing (or by telephone promptly confirmed in writing) prior to 11:00am Eastern Time (x) 1 Business Day prior to the date of any proposed Base Rate Borrowing or (y) 3 Business Days prior to the date of the proposed Eurodollar Borrowing.

[2] Select one.

[3] Include Section D when requesting Eurodollar Loans only. May be 1, 2, 3, or 6 months and shall end no later than the date that is six months following the date specified in Section B above.

E. The proceeds of the proposed Borrowing shall be distributed in accordance with the following wiring instructions:

Bank Name: _____
ABA: _____
Acct Name: _____
Acct #: _____
Ref: _____
Attn: _____

The Borrower hereby represents and warrants that the conditions specified in paragraphs (a), (b), (c) and (d) of Section 3.2 of the Credit Agreement are satisfied.

[Signature Page Follows]

EXHIBIT I

Very truly yours,

ENCORE CAPITAL GROUP, INC.,
as Borrower

By: _____
Name:
Title:

EXHIBIT I

Exhibit 10.14

GUARANTY AND SECURITY AGREEMENT

THIS GUARANTY AND SECURITY AGREEMENT (as amended, modified or supplemented from time to time, the "Guaranty"), made as of May 15, 2013 (the "Effective Date"), by PFS FINANCE HOLDINGS, LLC, a Delaware limited liability company (the "Guarantor"), in favor of WELLS FARGO BANK, N. A. (the "Lender").

RECITALS

WHEREAS, pursuant to that certain Tax Lien Loan and Security Agreement (the "Loan Agreement"), dated as of even date herewith, among the Lender, the Guarantor, in its capacity as Borrower Representative, PFS Financial 1, LLC, a Delaware limited liability company, as a Borrower, and the other Borrowers from time to time party thereto (collectively with PFS Financial 1, LLC, the "Borrowers"), the Lender has agreed from time to time to make advances to the Borrowers secured by the Borrowers' pledge of certain Eligible Tax Liens (each such advance shall be referred to herein as a "Loan");

WHEREAS, the Guarantor is, and will be, the sole member of each of the Borrowers and will receive substantial benefits directly and indirectly from the Borrowers' receipt of the Loans;

WHEREAS, the Guarantor has agreed to pledge all of its right, title and interest in and to the limited liability company membership interests of each of the Borrowers (the "Pledged Membership Interest") to the Lender upon and subject to the terms and conditions thereof as collateral security for the full and prompt payment of the Guarantor Obligations in accordance with the Loan Agreement; and

WHEREAS, it is a condition precedent, among others, to the effectiveness of the Loan Agreement that the Guarantor shall have provided this Guaranty in favor of the Lender.

NOW, THEREFORE, in consideration of the foregoing and to induce the Lender to enter into the Loan Agreement and to make available Loans thereunder, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor hereby agrees as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in the Loan Agreement.

2. Guaranty.

(a) The Guarantor hereby unconditionally and irrevocably guarantees to the Lender the prompt and complete payment by the Borrowers when due (whether at the stated maturity, by acceleration or otherwise) of (i) all Obligations, (ii) all other obligations or indebtedness of the Borrowers to the Lender under the Transaction Documents and (iii) all obligations of the Guarantor hereunder (clauses (i)-(iii), collectively, the "Guarantor Obligations").

(b) The Guarantor shall pay all or any part of the Guarantor Obligations then due promptly following written demand therefor (and in any event within two (2) Business Days of such demand) by the Lender to the Guarantor upon the occurrence of any Event of Default (as defined in the Loan Agreement).

(c) The Guarantor further agrees to promptly pay upon written demand therefor (and in any event within five (5) Business Days of such demand) any and all reasonable and documented expenses (including, without limitation, all fees and disbursements of counsel to the Lender) which are paid or incurred by the Lender in enforcing, or obtaining advice of counsel in respect of enforcing or collecting, any or all of the Guarantor Obligations and/or enforcing any rights with respect to, or collecting against, the Guarantor under this Guaranty, in each case following written demand by the Lender to the Guarantor for payment of the Guarantor Obligations upon the occurrence of and during the continuance of an Event of Default under the Loan Agreement. This Guaranty shall remain in full force and effect until the Guarantor Obligations are paid in full, notwithstanding that from time to time prior thereto the Borrowers may be free from any Guarantor Obligations.

(d) No payment or payments made by the Borrowers, any other guarantor under the Transaction Documents or any other Person or received or collected by the Lender from the Borrowers or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Guarantor Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor hereunder for any Guarantor Obligations remaining upon application of such payment or payments, and the Guarantor shall, notwithstanding any such payment or payments, remain liable for payment of the remaining Guarantor Obligations until such Guarantor Obligations are paid in full.

(e) The Guarantor agrees that whenever, at any time, or from time to time, the Guarantor shall make any payment to the Lender on account of the Guarantor's liability hereunder, the Guarantor will notify the Lender in writing that such payment is made under this Guaranty for such purpose.

(f) Any payment made by the Guarantor hereunder in respect of the Guarantor Obligations shall be applied by the Lender solely to the Guarantor Obligations.

3. Pledge.

(a) The Guarantor does hereby pledge and grant a security interest in the Pledged Membership Interest to the Lender, together with any and all other securities, cash or other property at any time and from time to time receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Membership Interest, and together with the proceeds thereof (hereinafter said property being collectively referred to as the "Collateral"), as security for the payment when due of the Guarantor Obligations.

(b) The Guarantor hereby represents and warrants to the Lender that (i) the Pledged Membership Interest represents all of the issued and outstanding limited liability company membership interest in each of the Borrowers, (ii) it has the limited liability

company authority to pledge the Collateral to the Lender in the manner and subject to the terms and conditions set forth herein, free and clear of any and all Liens, (iii) it has good title to pledge the Collateral to the Lender in the manner and subject to the terms and conditions set forth herein and (iv) there are no interest liens or pledges of the Collateral that are senior to the pledge to Lender under this Guaranty.

(c) The Guarantor further covenants to the Lender that it will cause any additional securities or other property issued to or received in respect of or in exchange for any of the Collateral and any additional membership interest in any Borrower hereafter issued to the Guarantor, whether for value paid by the Guarantor or otherwise, to be deposited forthwith with the Lender and be pledged hereunder, in each case accompanied by such instruments of assignment duly executed in blank by the Guarantor as may be required by the Lender. Any such pledged membership interest, property or shares shall upon such pledge be included in the definition of "Collateral". The Guarantor covenants to not cause any additional membership interests in any Borrower to be issued.

(d) If the Guarantor shall fail to pay any Guarantor Obligations to the Lender as and when required by this Guaranty, such failure shall constitute a default under this Guaranty. The Lender hereby acknowledges and agrees that, notwithstanding any term or provision herein or in any other Transaction Document, any Requirement of Law or otherwise, the Lender shall not sell, assign, transfer or otherwise dispose of or realize upon the Pledged Membership Interest unless and until an Event of Default has occurred under the Loan Agreement, and the Guarantor has failed to pay the outstanding Guarantor Obligations in accordance with Section 2(b).

(e) Guarantor hereby subordinates all of its right, title and interest in and to the Collateral to the Lender until such Collateral is released in accordance with the terms of this Guaranty.

(f) The Guarantor (upon written instruction from the Lender) will, from time to time, authorize, execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance, and other instruments, and will take such other action as may be deemed necessary by the Lender to grant, maintain, preserve and perfect the interests of the Lender in and to the Collateral and carry out more effectively the purposes hereof. The Guarantor hereby irrevocably authorizes the Lender to file financing statements (including amendments and continuations thereto) that indicate the Collateral as "all assets of the debtor" or words of similar effect.

(g) In connection with any Borrower becoming party to the Loan Agreement after the date hereof pursuant to a Joinder Agreement, the Guarantor shall authorize, execute and deliver all such supplements, confirmations and amendments hereto, and will take such other actions as may be deemed necessary by the Lender to grant, maintain, preserve and perfect the interests of the Lender in and to the Pledged Membership Inerest related to such Borrower and the Collateral and to carry out more effectively the purposes hereof.

(h) The Lender agrees that it will not transfer any Pledged Membership Interest if the effect of such transfer would, to its knowledge, (i) result in the aggregate number of "beneficial owners" (as defined in Section 3 of the Investment Company Act) of all of the outstanding securities of any Borrower or the Borrower Representative to exceed 80 or (ii) cause any of the Borrowers or the Borrower Representative to be deemed an "investment company", as defined in the Investment Company Act, that is not exempt from the provisions thereof. Any purported transfer or other disposition of any Pledged Membership Interest in violation of the foregoing restrictions will be void and of no effect. The Lender hereby certifies that it represents one "beneficial owner" as defined in Section 3(c)(1) of the Investment Company Act.

4. Right of Set-off. In addition to any rights now or hereafter granted under the Transaction Documents, Requirements of Law or otherwise, Guarantor hereby grants to Lender and each Indemnified Person, to secure repayment of the Guarantor Obligations, a right of set-off upon any and all of the following: monies, securities, collateral or other property of Guarantor and any proceeds from the foregoing, now or hereafter held or received by Lender, any Affiliate of Lender or any Indemnified Person, for the account of Guarantor, whether for safekeeping, custody, pledge, transmission, collection or otherwise, and also upon any and all deposits (general, specified, special, time, demand, provisional or final) and credits, claims or Indebtedness of Guarantor at any time existing, and any obligation owed by Lender or any Affiliate of Lender to Guarantor and to set–off against any Guarantor Obligations or indebtedness owed by Guarantor and any indebtedness owed by Lender or any Affiliate of Lender to Guarantor, in each case whether direct or indirect, absolute or contingent, matured or unmatured, whether or not arising under the Transaction Documents and irrespective of the currency, place of payment or booking office of the amount or obligation and in each case at any time held or owing by Lender, any Affiliate of Lender or any Indemnified Person to or for the credit of any Guarantor, without prejudice to Lender's right to recover any deficiency. Each of Lender, each Affiliate of Lender and each Indemnified Person is hereby authorized upon any amount becoming due and payable by Guarantor to Lender or any Indemnified Person under the the Guarantor Obligations or upon the occurrence of an Event of Default, without notice to Guarantor, any such notice being expressly waived by Guarantor to the extent permitted by any Requirements of Law, to set–off, appropriate, apply and enforce such right of set–off against any and all items hereinabove referred to against any amounts owing to Lender or any Indemnified Person by Guarantor under the Guarantor Obligations, irrespective of whether Lender, any Affiliate of Lender or any Indemnified Person shall have made any demand under the Transaction Documents and regardless of any other collateral securing such amounts, and in all cases without waiver or prejudice of Lender's rights to recover a deficiency. ANY AND ALL RIGHTS TO REQUIRE LENDER OR OTHER INDEMNIFIED PERSONS TO EXERCISE THEIR RIGHTS OR REMEDIES WITH RESPECT TO THE TAX LIENS OR OTHER INDEMNIFIED PERSONS UNDER THE TRANSACTION DOCUMENTS, PRIOR TO EXERCISING THE FOREGOING RIGHT OF SET–OFF, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY GUARANTOR.

Lender or any Indemnified Person shall promptly notify Guarantor after any such set–off and application made by Lender or such Indemnified Person, provided that the failure to give such notice shall not affect the validity of such set–off and application. If an amount or obligation is unascertained, Lender may in a commercially reasonable manner acting in good

faith estimate that obligation and set-off in respect of the estimate, subject to the Lender accounting to the Guarantor when the amount of the obligation is ascertained. This Section 4 shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which any Person is at any time otherwise entitled.

5. Subrogation. Notwithstanding any payment or payments made by the Guarantor hereunder or any set-off or application of funds of the Guarantor by the Lender pursuant to Section 4 hereof, the Guarantor shall not be entitled to be subrogated to any of the rights of the Lender against any Borrower or any other guarantor or any collateral security or guarantee or right of offset held by the Lender for the payment of the Guarantor Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from any Borrower or any other guarantor in respect of payments made by the Guarantor hereunder, until all amounts owing to the Lender by any Borrower on account of the Guarantor Obligations are paid in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all of the Guarantor Obligations shall not have been paid in full, such amounts shall be held by the Guarantor in trust for the Lender, segregated from other funds of the Guarantor, and shall, forthwith upon receipt by the Guarantor, be turned over to the Lender in the exact form received by the Guarantor (duly indorsed by the Guarantor to the Lender, if required), to be applied against the Guarantor Obligations in such order as the Lender may determine.

6. Amendments, Etc. with Respect to the Guarantor Obligations. The Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Guarantor, and without notice to or further assent by the Guarantor, any demand for payment of any of the Guarantor Obligations made by the Lender may be rescinded by the Lender, and any of the Guarantor Obligations continued, and the Guarantor Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Lender, and the Loan Agreement, and the other Transaction Documents and any other document in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Lender may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time, held by the Lender for the payment of the Guarantor Obligations may be sold, exchanged, waived, surrendered or released. The Lender shall have no obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Guarantor Obligations or for this Guaranty or any property subject thereto. When making any demand hereunder against the Guarantor, the Lender may, but shall be under no obligation to, make a similar demand on any Borrower and any failure by the Lender to make any such demand or to collect any payments from any Borrower or any release of any Borrower shall not relieve the Guarantor of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Lender against the Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings and any written notification transmitted by the Lender to the Guarantor for the Guarantor to pay the outstanding Guarantor Obligations hereunder.

7. Guaranty Absolute and Unconditional.

(a) The Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Guarantor Obligations and notice of or, proof of reliance by the Lender upon this Guaranty or acceptance of this Guaranty; the Guarantor Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived in reliance upon this Guaranty; and all dealings between any Borrower or the Guarantor, on the one hand, and the Lender, on the other, shall, likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty. The Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon any Borrower or the Guaranty with respect to the Guarantor Obligations. This Guaranty shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (i) the validity or enforceability of the Loan Agreement, the other Transaction Documents, any of the Guarantor Obligations, or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Lender, (ii) any defense, set-off or counterclaim (other than a defense of payment) which may at any time be available to or be asserted by any Borrower against the Lender, or (iii) any other circumstance whatsoever (with or without notice to or knowledge of any Borrower or the Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Borrower for the Guarantor Obligations, or the Guarantor under this Guaranty, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Guarantor, the Lender may, but shall be under no obligation, to pursue such rights and remedies that they may have against any Borrower or any other Person or against any collateral security or guarantee for the Guarantor Obligations or any right of offset with respect thereto, and any failure by the Lender to pursue such other rights or remedies or to collect any payments from any Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Borrower or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve the Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Lender against the Guarantor. This Guaranty shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantor and its successors and assigns thereof, and shall inure to the benefit of the Lender, and successors, endorsees, transferees and assigns, until all the Guarantor Obligations shall have been satisfied by payment in full, notwithstanding that from time to time during the term of the Loan Agreement the Borrowers may be free from any Guarantor Obligations.

(b) Without limiting the generality of the foregoing, the Guarantor hereby agrees, acknowledges, covenants, and represents and warrants to the Lender as follows:

(i) The Guarantor hereby waives any defense arising by reason of, and any and all right to assert against the Lender any claim or defense based upon, an election of remedies by the Lender which in any manner impairs, affects, reduces, releases, destroys and/or extinguishes such Guarantor's subrogation rights, rights to proceed against any Borrower or any other guarantor for reimbursement or contribution, and/or any other rights of the Guarantor to proceed against any Borrower, against any other guarantor, or against any other person or security;

(ii) The Guarantor hereby represents and warrants to the Lender that the Guarantor is presently informed of the financial condition of the Borrowers and of all other circumstances which diligent inquiry would reveal and which bear upon the risk of nonpayment of the Guarantor Obligations. The Guarantor hereby covenants that it will continue to keep itself informed of the Borrowers' financial condition and that it will continue to rely upon sources other than the Lender for such financial information and will not rely upon the Lender for any such information. Absent a written request for such information by the Guarantor to the Lender, the Guarantor hereby waives its right, if any, to require the Lender to disclose to the Guarantor any information which the Lender may now or hereafter acquire concerning such condition or circumstances including, but not limited to, the release of or revocation by any other guarantor; and

(iii) The Guarantor hereby represents and warrants to the Lender that the Guarantor has independently reviewed the Loan Agreement and the other Transaction Documents and has made an independent determination as to the validity and enforceability thereof, and in executing and delivering this Guaranty to the Lender, the Guarantor is not in any manner relying upon the validity, and/or enforceability, and/or attachment, and/or perfection of any Liens or security interests of any kind or nature granted by the Borrowers or any other guarantor to the Lender, now or at any time and from time to time in the future.

8. Reinstatement. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guarantor Obligations is rescinded or must otherwise be restored or returned by the Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

9. Payments. The Guarantor hereby agrees that any payment of the Guarantor Obligations made by it hereunder will be made to the Lender without set-off or counterclaim in U.S. Dollars.

10. Representations and Warranties. The Guarantor hereby represents and warrants to the Lender that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

(b) it has the power and authority and the legal right to own its property and to conduct the business in which it is currently engaged, except where any failure to do so would not have a Material Adverse Effect;

(c) it has the limited liability company power and authority and the legal right to execute and deliver, and to perform its obligations under this Guaranty, and has taken all necessary limited liability company action to authorize its execution, delivery and performance of this Guaranty;

(d) this Guaranty has been duly executed and delivered by the Guarantor and constitutes a legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, except as enforceability, may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general, principles of equity (whether enforcement is sought in proceedings in equity or at law);

(e) the execution, delivery and performance by the Guarantor of this Guaranty will not violate any provision of the charter, by-laws or other organizational documents of the Guarantor, or any law, treaty, rule or regulation or determination of an arbitrator, a court or other governmental authority, applicable to or binding upon the Guarantor or any of its property or to which the Guarantor or any of its property is subject ("Requirement of Law"), or any provision of any security issued by the Guarantor or of any agreement, instrument or other undertaking to which the Guarantor is a party or by which it or any of its property is bound ("Contractual Obligation"), and will not result in or require the creation or imposition of any Lien on any of the properties or revenues of the Guarantor pursuant to any Requirement of Law or Contractual Obligation of the Guarantor (other than this Guaranty), except in each case in this subsection (e) where the occurrence of any of the foregoing would not have a Material Adverse Effect;

(f) no consent or authorization of, filing with, notice to, or other act by or in respect of, any Governmental Authority or any other Person (including, without limitation, any stockholder or creditor of the Guarantor) is required to be obtained by the Guarantor in connection with the execution, delivery, performance, validity or enforceability of this Guaranty, except for such as has been obtained and any consent, authorization, filing, notice or other act which if not obtained, made or taken would not have a Material Adverse Effect; and

(g) Guarantor is not a securities intermediary, broker or commodity intermediary.

The Guarantor agrees that the foregoing representations and warranties shall be deemed to have been made by the Guarantor on the Funding Date of each Loan under the Loan Agreement and at all times Tax Liens are subject to a Loan.

11. Covenants.

(a) The Guarantor covenants and agrees that the Guarantor will not change its legal name or jurisdiction of organization without having provided to the Lender prior written notice of any such change.

(b) The Guarantor covenants and agrees that it will promptly give to the Lender notice of all litigation, actions, suits, arbitrations, investigations (including, without limitation, any of the foregoing which are threatened in writing or pending) or other legal or arbitrable proceedings against the Guarantor or affecting any of its

properties before any Governmental Authority (i) that questions or challenges the validity or enforceability of this Guaranty, or (ii) which, individually or in the aggregate, if adversely determined, would have a Material Adverse Effect.

(c) The Guarantor covenants and agrees that it will not amend any Borrower's Governing Documents in any material respect without the prior written consent of the Lender.

(d) The Guarantor shall at all times comply with the Special Purpose Entity Covenants.

(e) To the extent the Guarantor receives any Collections, the Guarantor shall cause such Collections to be deposited into the Collection Account within three (3) Business Days.

12. Membership Interest Certificate. The Guarantor shall deliver to the Lender, or its custodian, each Borrower's membership interest certificate and an executed blank endorsement of such membership interest certificate.

13. Event of Default; Remedies.

(a) Any failure by the Guarantor to observe or perform in any material respect any covenant of the Guarantor under this Guaranty, or any breach by the Guarantor of any representation and warranty of the Guarantor exists under this Guaranty which continues unremedied for five (5) Business Days after the earlier of receipt by the Guarantor of notice of such failure or such breach (as applicable) from the Lender or knowledge of such failure or breach by the Guarantor, shall constitute a "Guaranty Default".

(b) Upon the occurrence of a Guaranty Default, the Lender shall be entitled to enforce its rights and remedies against the Guarantor and the Pledged Membership Interest as provided in this Guaranty.

14. Severability. Any provision of this Guaranty which is, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

15. Headings. The paragraph headings used in this Guaranty are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

16. No Waiver; Cumulative Remedies. The Lender shall not by any act (except by a written instrument pursuant to paragraph 17 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Lender, any right, power or privilege hereunder shall operate as a

waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

17. Waivers and Amendments; Successors and Assigns. None of the terms or provisions of this Guaranty may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Guarantor and the Lender, provided that any provision of this Guaranty may be waived by the Lender in a letter or agreement executed by the Lender and delivered either by facsimile or electronic transmission from the Lender. This Guaranty shall be binding, upon the successors and assigns of the Guarantor and shall inure to the benefit of the Lender and its respective successors and assigns.

18. Notices. Notices to any of the parties hereunder shall be in writing and sent prepaid by hand delivery, by certified or registered mail, by expedited commercial or postal delivery service, or by facsimile or email if also sent by one of the foregoing, addressed as follows:

If to Guarantor:

PFS Finance Holdings, LLC
7990 IH-10 West
Suite 200
San Antonio, TX 78230
Attention: Fernando Peralta

If to Lender:

Wells Fargo Bank, N. A.
c/o Wells Fargo Securities LLC
375 Park Avenue
New York, New York 10152
Attention: Darren Esser, John Rhee and Jin Fu

Any of the foregoing communications shall be effective when delivered or upon the first attempted delivery on a Business Day.

19. Jurisdiction.

(a) THIS GUARANTY AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING HEREUNDER OR RELATED TO OR IN CONNECTION WITH THIS GUARANTY, THE RELATIONSHIP OF THE PARTIES HERETO, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD FOR CONFLICT OF LAWS PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW)).

(b) EACH OF THE PARTIES HERETO HEREBY WAIVES TRIAL BY JURY. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY COURT OF THE STATE OF NEW YORK, OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, ARISING OUT OF OR RELATING TO THE TRANSACTION DOCUMENTS IN ANY ACTION OR PROCEEDING. EACH OF THE PARTIES HERETO HEREBY SUBMITS TO, AND WAIVES ANY OBJECTION IT MAY HAVE TO, EXCLUSIVE PERSONAL JURISDICTION AND VENUE IN THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, WITH RESPECT TO ANY DISPUTES ARISING OUT OF OR RELATING TO THE TRANSACTION DOCUMENTS.

20. Integration. This Guaranty represents the agreement of the Guarantor with respect to the subject matter hereof and there are no promises or representations by the Lender or the Guarantor relative to the subject matter hereof not reflected herein.

21. Acknowledgments. The Guarantor hereby acknowledges that:

(a) The Guarantor has been advised by counsel in the negotiation, execution and delivery of this Guaranty; and

(b) the execution of this Guaranty does not create a fiduciary relationship between the Guarantor and the Lender, and (i) the relationship between the Lender and the Guarantor is solely that of surety and creditor and (ii) no joint venture exists between the Lender and the Guarantor or among the Lender, the Borrowers and the Guarantor.

22. Reserved.

23. Tax Indemnification and Withholding Taxes.

(a) All payments made by the Guarantor to the Lender under this Guaranty will be made free and clear of and without deduction or withholding for or on account of any Taxes, unless such withholding or deduction is required by law. In such event, the Guarantor shall pay to the appropriate taxing authority any such Taxes required to be deducted or withheld and the amount payable to the Lender will be increased (such increase, the "*Additional Amount*") such that every net payment made under this Guaranty after deduction or withholding for or on account of any Taxes (including any Taxes on such increase) is not less than the amount that would have been paid had no such deduction or withholding been deducted or withheld. The foregoing obligation to pay Additional Amounts, however, will not apply with respect to (i) Taxes related to the net income, franchise taxes or branch profits taxes imposed on the Lender with respect to payments required to be made by the Guarantor under this Guaranty, by a taxing jurisdiction in which the Lender is organized, has a lending office, or is paying taxes as of the Closing Date (ii) any Taxes attributable to the Lender's failure to comply with

Section 23(d) (to the extent and as expressly provided in Section 23(d)) or (iii) any U.S. federal withholding Taxes imposed under FATCA. If the Lender pays any Taxes in respect of which the Guarantor is obligated to pay Additional Amounts under this Section 23, on the Payment Date in the calendar month following the calendar month during which the Lender demands payment, the Guarantor shall reimburse the Lender in full.

(b) The Guarantor will indemnify the Lender for the full amount of Taxes in respect of which the Guarantor is required to pay Additional Amounts (including any Taxes imposed by any jurisdiction on such Additional Amounts) paid by the Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto; provided that the Lender shall have provided the Guarantor with evidence, reasonably satisfactory to the Guarantor of payment of such Taxes. This indemnification shall be made on the Payment Date in the calendar month following the calendar month during which the Lender makes written demand therefor.

(c) Within thirty (30) days after the date of any payment by the Guarantor of any Taxes pursuant to this Section 23, the Guarantor will furnish to the Lender appropriate evidence of payment thereof.

(d) Any Lender (or participant as contemplated by Section 9.1 of the Loan Agreement) that is either (i) not incorporated under the laws of the United States, any State thereof, or the District of Columbia or (ii) not otherwise treated as a "United States person" under the Code (a "Foreign Lender") shall provide the Guarantor with original properly completed and duly executed United States Internal Revenue Service ("IRS") Forms W-8BEN or W-8ECI or any successor form prescribed by the IRS, certifying that such Person is either (1) entitled to benefits under an income tax treaty to which the United States is a party which eliminates or (2) otherwise fully exempt from United States withholding tax under sections 1441 through 1442 of the Code on payments to it or certifying that the income receivable pursuant to this Guaranty is effectively connected with the conduct of a trade or business in the United States in either case, on or prior to the date upon which each such Foreign Lender becomes a Lender or participant hereunder. Each Foreign Lender will resubmit the appropriate form eliminating withholding tax on payments to it on the earliest of (A) the third anniversary of the prior submission, or (B) on or before the expiration of thirty (30) days after there is a "change in circumstances" with respect to such Person as defined in Treas. Reg. Section 1.1441-1(e)(4)(ii)(D). If a payment made to a Foreign Lender under this Guaranty would be subject to United States federal withholding tax imposed by FATCA if such Foreign Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in section 1471(b) or 1472(b) of the Code, as applicable), such Foreign Lender shall deliver to the Guarantor at the time or times prescribed by law and at such time or times reasonably requested by the Guarantor such documentation prescribed by applicable law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Guarantor as may be necessary for the Guarantor to comply with its obligations under FATCA and or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 23(d), "FATCA" shall include any amendments made to FATCA after the date of this Guaranty. For any period with respect to which the Foreign Lender has failed

to provide the Guarantor with the appropriate form or other relevant document (x) as expressly required under this Section 23(d) (unless such failure is due to a change in treaty, law, or regulation occurring subsequent to the date on which a form originally was required to be provided under the first sentence of this Section 23(d) or except to the extent that, pursuant to this Section 23, amounts payable with respect to such taxes were payable to such Foreign Lender's assignor immediately before such Foreign Lender became a party hereto or such Foreign Lender becomes a Lender or participant after and during the continuation of an Event of Default) or (y) otherwise as required to establish exemption from United States withholding under FACTA, such Person shall not be entitled to "gross-up" of Taxes under Section 23(a) or indemnification under Section 23(b) with respect to Taxes imposed by the United States which are imposed because of such failure; provided, however, that should Foreign Lender, which is otherwise exempt from a withholding tax, become subject to Taxes because of its failure to deliver a form required hereunder, the Guarantor shall, at no cost or expense to the Guarantor, take such steps as such Foreign Lender shall reasonably request to assist such Foreign Lender to recover such Taxes. Each Lender or participant that is a "United States person" within the meaning of the Code shall deliver to the Guarantor a duly executed original of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable laws or reasonably requested by the Guarantor as will enable the Guarantor to determine whether or not such Lender or participant is subject to backup withholding or information reporting requirements. Unless the Guarantor have received such forms or other documents or information as required by this Section 23 (d) to establish such Lender's or participant's exception from backup withholding tax, the Guarantor shall not be required to pay additional sums or indemnify such Lender or participant for any amount withheld. Within thirty (30) days of the written request of the Guarantor therefor, the Lender shall execute and deliver to the Guarantor such other certificates, forms or other documents which can be furnished consistent with the facts and which are reasonably necessary to assist the Guarantor in applying for refunds of Taxes remitted hereunder; provided, however, that (i) the Lender shall not be required to deliver such certificates, forms or other documents if in its sole discretion it determines that the deliverance of such certificate, form or other document would have a material adverse effect on the Lender and (ii) the Guarantor shall reimburse the Lender for any reasonable and documented expenses incurred in the delivery of such certificate, form or other document.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Guaranty and Security Agreement to be duly executed and delivered as of the date first above written.

PFS FINANCE HOLDINGS, LLC

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Treasurer

ACKNOWLEDGED AND AGREED:

WELLS FARGO BANK, N. A.

By: /s/ John Rhea
Name: John Rhea
Title: Director

Exhibit 10.15

LIMITED GUARANTEE

LIMITED GUARANTEE dated as of May 15, 2013 (this "*Limited Guarantee*"), by ENCORE CAPITAL GROUP, INC., a Delaware corporation ("*Guarantor*") in favor of WELLS FARGO BANK, N.A., a national banking association ("*Wells Fargo Bank*").

WITNESSETH:

WHEREAS, PFS Financial 1, LLC, as a Borrower, the other Borrowers from time to time party thereto (collectively with PFS Financial 1, LLC, the "*Borrowers*"), PFS Finance Holdings, LLC, as borrower representative, and Wells Fargo Bank are entering into a Tax Lien Loan and Security Agreement, dated as of the date hereof (as may be amended, supplemented, restated or otherwise modified from time to time, the "*Loan Agreement*"), pursuant to which Wells Fargo Bank has agreed to make loans to the Borrowers secured by certain collateral described in the Loan Agreement on the basis of, and in reliance upon, the representations, warranties and covenants of the Borrowers contained in the Loan Agreement;

WHEREAS, Propel Financial Services, LLC (the "*Servicer*") has agreed to service the Tax Liens from time to time owned by the Borrowers pursuant to the Servicing Agreement dated as of the date hereof (as may be amended, supplemented, restated or otherwise modified from time to time, the "*Servicing Agreement*"); and

WHEREAS, Guarantor is, and will be, an indirect owner of all of the equity interest of PFS Finance Holdings LLC, the sole owner of all of the equity interest of the Borrowers, and is, and will be, receiving a direct or indirect benefit from the Borrowers entering into the Loan Agreement; and

WHEREAS, Wells Fargo Bank will not enter into the Loan Agreement, nor provide any advances pursuant thereto, unless the Guarantor has executed and delivered this Limited Guarantee;

NOW, THEREFORE, in order to induce Wells Fargo Bank to enter into the Loan Agreement and the other Transaction Documents, to make advances to the Borrowers pursuant to the terms of the Loan Agreement, and in consideration thereof and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees as follows:

1. Definitions. Unless otherwise defined herein, terms which are defined in the Loan Agreement and used herein are so used as so defined. Whenever used herein, unless the context otherwise requires, the following words and phrases shall have the following meanings:

(a) Guaranteed Obligations: Shall mean:

(i) All of the Obligations, including without limitation all present and future amounts, now or at any time or from time to time hereafter due or owing

under or in connection with the Loan Agreement or any other Transaction Document; provided, that, notwithstanding any other provision of the Limited Guarantee the amount of the Guaranteed Obligations directly payable by the Guarantor under this clause (i) shall not exceed, in the aggregate an amount equal to fifteen percent (15%) of the outstanding Note Balance;

(ii) all losses, costs, expenses, damages, liabilities, claims or other obligations incurred by the Lender (and costs of enforcement and collection) arising out of or in connection with any of the following:

(A) any Covered Representation failing to be true and correct in all material respects on the date such Covered Representation was made due to the fraud or intentional misrepresentation of any Propel Entity,

(B) the material breach of any Covered Covenant due to the fraud or intentional misconduct of any Propel Entity, or any Person directed by any Propel Entity, which breach remains uncured beyond any applicable cure period therefore in the Loan Agreement or Guaranty and Security Agreement, as applicable,

(C) the failure of the Borrower or the Borrower Representative to comply with the Special Purpose Entity Covenants (other than clause (i) of the Special Purpose Entity Covenants) in any material respect,

(D) the failure of any Borrower, the Borrower Representative or the Servicer to deliver or cause to be delivered any Collections or proceeds of the Tax Liens to the Collection Account in accordance with the Transaction Documents, and

(E) any indebtedness or other obligation (whether contingent or otherwise) incurred, or entered into, by any Borrower which is a series limited liability company prior to the Closing Date or the date such a Borrower became a party to the Transaction Documents pursuant to a Joinder Agreement, as applicable.

(iii) All of the Obligations, including without limitation all present and future amounts, now or at any time or from time to time hereafter due or owing under or in connection with the Loan Agreement or any other Transaction Document upon any Propel Entity initiating or consenting to the filing of a voluntary petition by any Borrower or the Borrower Representative under any chapter of the Bankruptcy Code, or seeking relief for any Borrower or the Borrower Representative under any Insolvency Laws or the appointment of a trustee, receiver, conservator or liquidator for all or any part of any Borrower's or the Borrower Representative's properties and/or assets.

(b) Covered Covenant: Each of Section 6.1(d) and 6.1(i) of the Loan Agreement and Section 3(c) of the Guaranty and Security Agreement.

(c) Covered Representation: Each of Section 5.1(a), 5.1(f), 5.1(g) and 5.1(l) of the Loan Agreement and Section 3(b) of the Guaranty and Security Agreement.

(d) Propel Entity: Each Borrower, PFS Finance Holdings, LLC, the Servicer and the Guarantor.

2. Limited Guarantee.

(a) The Guarantor hereby unconditionally and irrevocably guarantees to the Lender the due and punctual payment of all of the Guaranteed Obligations (whether at the stated maturity, by acceleration or otherwise).

(b) The Guarantor shall make payment of the Guaranteed Obligations and other amounts payable by the Guarantor hereunder promptly upon written demand therefor (and in any event within five (5) Business Days), in compliance with this Limited Guarantee. Wells Fargo Bank shall not be required to seek payment or performance from any Borrower or any other person or entity or to seek recourse to any collateral at any time securing any of Obligations, prior to demanding payment of the Guaranteed Obligations from the Guarantor.

3. Continuing Guarantee. This Limited Guarantee is a continuing guaranty of the Guaranteed Obligations for the duration of the term of the Loan Agreement and any renewals or extensions thereof. Payments to be made by Guarantor hereunder may be required by Wells Fargo Bank on any number of occasions as provided in this Limited Guarantee. Payment by Guarantor shall be made to Wells Fargo Bank at Wells Fargo Bank's office on written demand as Guaranteed Obligations become due. In connection with any Borrower becoming party to the Loan Agreement after the date hereof pursuant to a Joinder Agreement, the Guarantor shall authorize, execute and deliver all such supplements, confirmations and amendments hereto, and will take such other actions as may be deemed reasonably necessary by the Lender to carry out more effectively the purposes hereof.

4. Costs of Enforcement. The Guarantor shall pay to Wells Fargo Bank forthwith upon demand, all reasonable and documented costs and expenses (including court costs and legal expenses) incurred or expended by Wells Fargo Bank in enforcing its rights under this Limited Guarantee.

5. Waiver of Right of Subrogation. Notwithstanding any payment or payments made by the Guarantor hereunder, Guarantor will not exercise any rights of Wells Fargo Bank against any Borrower by way of contribution, subrogation, reimbursement or indemnity, or shall have any right of recourse to any assets or property of any Borrower held for the payment and performance of its Guaranteed Obligations, until such time as all Guaranteed Obligations of such Borrower to Wells Fargo Bank are paid in full in cash and the Loan Agreement is irrevocably terminated. If any amount shall nevertheless be paid to the Guarantor, such amount shall be held

in trust for the benefit of Wells Fargo Bank and shall forthwith be paid to Wells Fargo Bank to be credited and applied to the Guaranteed Obligations, whether matured or not matured. The provisions of this Section 5 shall survive termination of this Limited Guarantee.

6. Right of Set-off. Subject to the limitations set forth in Section 2, an addition to any rights now or hereafter granted under the Transaction Documents, Requirements of Law or otherwise, Guarantor hereby grants to Lender and each Indemnified Person a right of set-off upon any and all deposits (general, specified, special, time, demand, provisional or final) and credits, claims or indebtedness of Guarantor at any time existing, and any obligation owed by Lender or any Affiliate of Lender to Guarantor and to set–off against any Guaranteed Obligations or indebtedness owed by Guarantor and any indebtedness owed by Lender or any Affiliate of Lender to Guarantor, in each case whether direct or indirect, absolute or contingent, matured or unmatured, whether or not arising under the Transaction Documents and irrespective of the currency, place of payment or booking office of the amount or obligation and in each case at any time held or owing by Lender, any Affiliate of Lender or any Indemnified Person to or for the credit of any Guarantor, without prejudice to Lender's right to recover any deficiency. Each of Lender, each Affiliate of Lender and each Indemnified Person is hereby authorized upon any amount becoming due and payable by Guarantor to Lender or any Indemnified Person under the Guaranteed Obligations, without notice to Guarantor, any such notice being expressly waived by Guarantor to the extent permitted by any Requirements of Law, to set–off, appropriate, apply and enforce such right of set–off against any and all items hereinabove referred to against any amounts owing to Lender or any Indemnified Person by Guarantor under the Guaranteed Obligations, irrespective of whether Lender, any Affiliate of Lender or any Indemnified Person shall have made any demand under the Transaction Documents and regardless of any other collateral securing such amounts, and in all cases without waiver or prejudice of Lender's rights to recover a deficiency. ANY AND ALL RIGHTS TO REQUIRE LENDER OR OTHER INDEMNIFIED PERSONS TO EXERCISE THEIR RIGHTS OR REMEDIES WITH RESPECT TO THE TAX LIENS OR OTHER INDEMNIFIED PERSONS UNDER THE TRANSACTION DOCUMENTS, PRIOR TO EXERCISING THE FOREGOING RIGHT OF SET–OFF, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY GUARANTOR.

Lender or any Indemnified Person shall promptly notify Guarantor after any such set–off and application made by Lender or such Indemnified Person, provided that the failure to give such notice shall not affect the validity of such set–off and application. If an amount or obligation is unascertained, Lender may in a commercially reasonable manner acting in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant Person accounting to the other Person when the amount or obligation is ascertained. This Section 6 shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which any Person is at any time otherwise entitled.

7. Representations and Warranties; Covenants.

(a) Guarantor hereby makes each of the representations and warranties made by it under the Senior Credit Agreement for the benefit of the Lender as if each such representation and warranty was set forth herein, *mutatis mutandis*.

(b) Guarantor hereby makes each of the covenants and agreements made by it under the Senior Credit Agreement for the benefit of the Lender as if each such covenant and agreement was set forth herein, *mutatis mutandis*.

(c) Guarantor hereby covenants and agrees that each of the covenants in Sections 6.1, 6.2 and 6.3 of the Senior Credit Agreement shall be true at all times.

8. Event of Default; Remedies.

(a) Any failure by the Guarantor to observe or perform in any material respect any covenant of the Guarantor under this Limited Guarantee, or any breach by the Guarantor of any representation and warranty of the Guarantor exists under this Limited Guarantee which continues unremedied for five (5) Business Days after the earlier of receipt by the Guarantor of notice of such failure or such breach (as applicable) from the Lender or knowledge of such failure or breach by the Guarantor, shall constitute a "Guaranty Default" and an Event of Default under the Loan Agreement.

(b) Upon the occurrence of Event of Default under the Loan Agreement or a Guaranty Default, the Lender shall be entitled to enforce its rights and remedies against the Guarantor as provided in this Limited Guarantee.

9. Other Waivers. Guarantor hereby assents, to the extent permitted by law, to all the terms and conditions of the Guaranteed Obligations and waives: (a) notice of acceptance of this Limited Guarantee and all notice of the creation, extension or accrual of any Guaranteed Obligations; (b) presentment, demand for payment, notice of dishonor and protest; (c) notice of any other nature whatsoever; (d) any requirement of diligence or promptness on the part of Wells Fargo Bank in the enforcement of any of its rights under the provisions of any of the Transaction Documents; (e) any requirement that Wells Fargo Bank take any action whatsoever against any Borrower or any other party or file any claim in the event of the bankruptcy of any Borrower; or (f) failure of Wells Fargo Bank to protect, preserve or resort to any Collateral. The waivers set forth in this section shall be effective notwithstanding the fact that any Borrower ceases to exist by reason of its liquidation, merger, consolidation or otherwise.

10. Consent. Guarantor hereby consents that from time to time, and without further notice to or consent of Guarantor, Wells Fargo Bank may take any or all of the following actions without affecting the liability of Guarantor: (a) extend, renew, modify, compromise, settle or release the Guaranteed Obligations; (b) release or compromise any liability of any party or parties with respect to the Guaranteed Obligations; (c) release its security interest in the Collateral or exchange, surrender or otherwise deal with the Collateral as Wells Fargo Bank may determine; or (d) exercise or refrain from exercising any right or remedy of Wells Fargo Bank.

11. Obligations of Guarantor Unconditional; Termination. The obligations of Guarantor under this Limited Guarantee shall be absolute and unconditional, irrespective of the validity, regularity or enforceability of any Guarantor Obligation or any instrument or agreement evidencing the same or relating thereto or any other circumstance that might otherwise constitute a defense available to, or a discharge of, Guarantor. The obligations of Guarantor hereunder shall be absolute and unconditional under any and all circumstances and shall not be discharged except by complete payment or performance of the Guaranteed Obligations and the liabilities of Guarantor hereunder and shall be joint and several with the obligations of any other party to a guarantee given to Wells Fargo Bank on behalf of the Borrowers. This Limited Guarantee and the obligations of Guarantor hereunder shall terminate on the Facility Termination Date; provided, however, that this Limited Guarantee shall be reinstated if any such payment or performance is rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be restored or returned by Wells Fargo Bank for any reason, including without limitation by reason of the insolvency, bankruptcy or reorganization of any Borrower, the Servicer, the Guarantor or any other Person.

12. Notices. All notices and other communications hereunder shall be deemed given when delivered or deposited in the mails, first class postage prepaid (provided, however, that notices given by telegram, telex or telefax shall be deemed given when dispatched) and if to a party hereto addressed as set forth beneath its name at the foot hereof unless a party shall give notice of a different address or telefax number in the manner provided herein.

13. Survival of Limited Guarantee. This Limited Guarantee shall inure to the benefit of, and be binding upon, the Guarantor and Wells Fargo Bank and their respective heirs, executors, administrators, successors and assigns, including any subsequent holder or holders of any Guaranteed Obligations, and the term "Wells Fargo Bank" shall include any such holder or holders whenever the context permits.

14. Independent Obligation. Wells Fargo Bank may proceed against the Guarantor under this Limited Guarantee without first proceeding against any Borrower or the Servicer, against any other surety or any other person or any security held by Wells Fargo Bank and without pursuing any other remedy.

15. Severability. If any provision of this Limited Guarantee is deemed to be invalid or unenforceable or is prohibited by the laws of the state or jurisdiction where it is to be performed, this Limited Guarantee shall be considered divisible as to such provision and such provision shall be inoperative in such state or jurisdiction. The remaining provisions of this Limited Guarantee shall be valid and binding and shall remain in full force and effect as though such provision was not included.

16. Entire Agreement; Amendments. This Limited Guarantee represents the entire agreement of the Guarantor with regard to the matters addressed herein and therein and all prior agreements are superseded hereby. This Limited Guarantee may be amended only by a written instrument executed and delivered by the Guarantor and acknowledged and consented to by Wells Fargo Bank.

17. Facsimile Signature. This Limited Guarantee may be executed in any number of counterparts, including facsimile counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument.

18. CONSENT TO JURISDICTION. THE GUARANTOR IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY NEW YORK STATE COURT SITTING IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS LIMITED GUARANTEE. THE GUARANTOR IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH SUIT ACTION OR PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE GUARANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH SUIT ACTION OR PROCEEDING BROUGHT IN SUCH A COURT, AFTER ALL APPROPRIATE APPEALS, SHALL BE CONCLUSIVE AND BINDING UPON IT.

19. GOVERNING LAW. THIS LIMITED GUARANTEE AND ANY CLAIM WITH RESPECT HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT REFERENCE TO ITS CONFLICT OF LAWS PROVISIONS (OTHER THAN §§5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW)).

20. JURY TRIAL WAIVER. HEREBY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF THIS LIMITED GUARANTEE.

21. VENUE. THE GUARANTOR HEREBY AGREES TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, LOCATED IN THE BOROUGH OF MANHATTAN AND THE FEDERAL COURTS LOCATED WITHIN THE STATE OF NEW YORK IN THE BOROUGH OF MANHATTAN.

THE GUARANTOR HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

22. Subordination. The Lender hereby acknowledges and agrees that the rights of the Lender under this Limited Guarantee shall be subordinate to the rights of the lenders under the Senior Credit Agreement.

23. No Security Interest. Notwithstanding anything to the contrary herein, no provision of this Limited Guarantee shall be effective to create a charge or other security interest and the obligations of the Guarantor hereunder shall be unsecured obligations of the Guarantor.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Guarantor has executed this Limited Guarantee as of the date first above written.

ENCORE CAPITAL GROUP, INC.

By: /s/ J. Brandon Black

Name: J. Brandon Black

Title: Chief Executive Officer

ACKNOWLEDGED AND AGREED:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Lender

By: /s/ John Rhea

Name: John Rhea

Title: Director

Exhibit 10.16

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this "Agreement") is made and entered into as of May 29, 2013 (the "Effective Date"), by and between **Encore Capital Group, Inc.,** a Delaware corporation ("Purchaser"), and **JCF III Europe S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 47, avenue John F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 161027 and having a share capital of EUR 8,501,530 ("Seller").

W I T N E S S E T H:

WHEREAS, Seller is party to that certain Subscription Agreement, dated as of April 13, 2013 (as amended by way of an amendment agreement dated May 15, 2013) (the "Subscription Agreement"), by and among Seller, certain affiliates of Seller, Carat Manager Nominee Limited, and certain persons set forth on Schedule 1 and Schedule 2 thereto, pursuant to which Seller agreed to, among other things, incorporate and retain a controlling interest in Cabot Holdings S.À R.L. ("Holdings") for the purpose of indirectly acquiring the entire issued share capital of Cabot Credit Management Limited (the "Target");

WHEREAS, pursuant to the Subscription Agreement, Seller subscribed for 6,983,260 A Shares, Bridge PECs with a face value of £45,000,000 and A PECs with a face value of £193,073,176 of Holdings (as each is defined in the Subscription Agreement, and collectively, the "Holdings Securities") as contemplated therein, which represent a majority of the economic and voting interests in Holdings;

WHEREAS, pursuant to the Subscription Agreement, JCF III Europe Holdings LP subscribed for 100 A Shares of Holdings;

WHEREAS, pursuant to an Acquisition Agreement, dated as of April 13, 2013 (the "Acquisition Agreement"), by and among Calcium Holdings S.à r.l., the Management Sellers (as defined therein), Carat UK Bidco Limited, an indirect wholly owned subsidiary of Holdings ("Bidco"), and certain other individuals party thereto, Bidco agreed to purchase all of the issued share capital of Target (the "Acquisition");

WHEREAS, the parties to the Subscription Agreement are also party to that certain Investment Agreement, dated as of May 15, 2013, as amended from time to time (the "Investment Agreement"), pursuant to which the parties thereto agreed to regulate the position between the investors in securities of Holdings, Bidco and other affiliated entities, as more fully described therein;

WHEREAS, pursuant to the Acquisition Agreement, on May 15, 2013, Bidco purchased all of the issued and outstanding share capital of Target;

WHEREAS, immediately prior to Closing (as defined below), Seller will be the beneficial and legal owner of 3,498,563 E shares (the "E Shares"), 3,484,597 J shares (the "J

Shares", and together with the E Shares, the "Company Shares"), E Bridge PECs with a face value of £22,545,000 (the "E Bridge PECs"), J Bridge PECs with a face value of £22,455,000 (the "J Bridge PECs", and together with the E Bridge PECs, (the "Company Bridge PECs"), E PECs with a face value of £96,729,661 (the "Company E PECs"), and J PECs with a face value of £96,343,515 (the "Company J PECs" and, together with the Company Shares, the Company E PECs and the Company Bridge PECs, the "Total Securities") of a Luxembourg private limited liability company (*société à responsabilité limitée*) (the "Company"), that will be formed for the purpose of holding all of Seller's Holdings Securities (other than the 100 A Shares of Holdings retained by Seller, which will be sold to Purchaser in accordance with the terms herein), which Total Securities will represent all of the issued and outstanding equity and debt interests of the Company;

WHEREAS, yield will accrue on the Company Bridge PECs, the Company E PECs and the Company J PECs and be determined as if such securities had been issued on May 13, 2013;

WHEREAS, the Total Securities will be issued immediately prior to Closing in exchange for the contribution and transfer by the Seller to the Company of 6,983,160 A Shares of Holdings, £45,000,000 Bridge PECs of Holdings (and any accrued interest thereof) and £193,073,176 A PECs of Holdings (and any accrued interest thereof);

WHEREAS, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, 100 A Shares of Holdings (the "Holdings A Shares");

WHEREAS, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, the E Shares, the E Bridge PECs and the Company E PECs (collectively, the "Company Securities" and, collectively with the Holdings A Shares, the "Purchased Securities"), which Company Securities will represent 50.1% of all of the issued and outstanding equity and debt securities of the Company;

WHEREAS, Purchaser and Seller have agreed upon the form and substance of an Investors Agreement, by and among Purchaser, Seller and the Company substantially in the form attached hereto as Exhibit A (the "Investors Agreement"); and

WHEREAS, in connection with the transactions contemplated by this Agreement, following the execution of this Agreement, Purchaser and Seller desire to negotiate in good faith and finalize a Shared Services Agreement (the "Shared Services Agreement") to provide for certain agreed-upon services to Holdings and its subsidiaries by Purchaser.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

A G R E E M E N T

1. Purchase of Securities

1.1 Purchase. Upon the terms and subject to the conditions set forth herein, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, at the Closing,

all of the Purchased Securities, free and clear of any interest or equity of any person (including any right to acquire, option, warrant, call, contract, demand, commit, convert or exchange, or right of pre-emption, first refusal or conversion, or under which a person is or may become obligated to sell, assign or transfer any equity interest) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above (other than by virtue of the organizational documents of the Company, this Agreement, the Investors Agreement, the Investment Agreement, the Acquisition Agreement or the other agreements and instruments contemplated hereby and thereby) (collectively, "Liens").

1.2 Purchase Price. The aggregate purchase price (the "Purchase Price") for the Purchased Securities shall be £127,594,669, in respect of the E Bridge PECs, the Company E PECs and the E Shares and £40 in respect of the Holdings A Shares. The E Bridge PECs and the Company E PECs will be purchased at their face value plus accrued interest (accruing from May 13, 2013) and the remainder of the Purchase Price shall be allocated to the E Shares.

1.3 Closing. Upon the terms and subject to the conditions set forth herein, the purchase and sale of the Purchased Securities (the "Closing") shall occur on the second day other than a Saturday, Sunday or other day on which commercial banks in Luxembourg or the City of London are authorized or required to close (each such day, a "Business Day") following the satisfaction or waiver of the conditions in Section 2 (other than conditions to be satisfied at the Closing), which, without (i) the prior written consent of Purchaser and (ii) not less than two days prior notice of such consent by Purchaser to Seller, will not be earlier than August 13, 2013, and shall take place remotely via the exchange of documents and signatures, or at such other date, time and place as may be agreed by Seller and Purchaser orally or in writing (which date, time and place are referred to as the "Closing Date").

1.4 Payment of the Purchase Price. At the Closing, Purchaser shall pay the Purchase Price by wire transfer pursuant to instructions provided by Seller.

1.5 Payment of Funding Cost. At the Closing, Purchaser shall pay an amount to Seller equal to Seller's cost of carrying amount for bearing the funding cost (the "Funding Cost") of the Purchase Price between May 15, 2013, the date of the closing of the Acquisition, and the Closing Date, calculated as set forth on Schedule 1.5 hereto, by wire transfer pursuant to instructions provided by Seller.

1.6 Payment of Advisory Fee. At the Closing, Purchaser shall pay an investment advisory fee of £1,950,000 to J.C. Flowers & Co. LLC in consideration for investment advisory services rendered in connection with the transactions contemplated by this Agreement, by wire transfer pursuant to instructions provided by J.C. Flowers & Co. LLC.

1.7 Update of the Company's and Holdings' Registers. Upon receipt of the amounts referred to under clauses 1.4 to 1.6 above, Seller shall issue a notice to each of the Company and Holdings (countersigned by Purchaser) requesting that each of the Company and Holdings (i) update its registers of securities in order to record Purchaser as the holder of the Purchased Securities transferred to it on Closing and (ii) file any required notice of transfer with the Luxembourg Trade and Companies Register.

2. Conditions To Closing.

2.1 Conditions to Obligation of Seller. The obligation of Seller to consummate the transactions contemplated hereby shall be subject to the satisfaction on or prior to the Closing of the following conditions (any of which may be waived in writing by Seller to the extent permitted by applicable law):

(a) Purchaser shall have performed or complied in all material respects with all obligations and agreements required to be performed or complied with by it hereunder on or prior to the Closing;

(b) the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as at the date of this Agreement and as of the Closing Date as if made as of such date;

(c) Purchaser shall have executed and delivered to Seller the Investors Agreement;

(d) the Company shall have entered into a Deed of Adherence with respect to the Investment Agreement as set forth on Exhibit B hereto (the "Deed of Adherence");

(e) Purchaser shall have executed and delivered to Holdings the amended and restated Investment Agreement substantially in the form attached hereto as Exhibit C;

(f) there shall be no order, decree, or ruling by any federal, state, local, municipal, foreign or other government, or person, entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative or regulatory power or authority (each a "Governmental Authority"), nor any action, suit, claim or proceeding by or before any Governmental Authority, which shall be pending, or which seeks to restrain, prevent or materially delay or restructure the transactions contemplated hereby, or which otherwise questions the validity or legality of any such transactions;

(g) there shall be no statute, rules, regulation, or order enacted, entered, or enforced or deemed applicable to the transactions contemplated hereby which would prohibit or render illegal the transactions contemplated by this Agreement; and

(h) (x) in the event that Cabot Financial (Luxembourg) S.A. (the "Notes Issuer") has solicited the consents (the "Solicitation") of holders of its 10.375% Senior Secured Notes due 2019 (the "Notes") to effect the Closing without the need for a Change of Control Offer (as defined in the indenture governing the Notes dated September 20, 2012 (the "Indenture")) holders of at least a majority in aggregate principal amount of the Notes outstanding at the time of the Solicitation shall have delivered their consents thereto, and (y) in the event that the Notes Issuer has made a Change of Control Offer (as defined in the Indenture) to holders of Notes, holders of no more than five percent of the then-outstanding aggregate principal amount of Notes shall have elected to have their Notes purchased pursuant to such Change of Control Offer.

2.2 Conditions to Obligation of Purchaser. The obligation of Purchaser to consummate the transactions contemplated hereby shall be subject to the satisfaction on or prior to the Closing of the following conditions (any of which may only be waived in writing by Purchaser to the extent permitted by applicable law):

(a) Seller shall have performed or complied in all material respects with all obligations and agreements required to be performed or complied with by it hereunder on or prior to the Closing;

(b) the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as at the date of this Agreement and as of the Closing Date as if made as of such date;

(c) Seller shall have executed and delivered to Purchaser the Investors Agreement;

(d) the Company shall have entered into the Deed of Adherence;

(e) the Investment Agreement shall have been amended and restated in substantially the form attached hereto as Exhibit C;

(f) there shall be no order, decree, or ruling by any Governmental Authority, nor any action, suit, claim or proceeding by or before any Governmental Authority, which shall be pending, or which seeks to restrain, prevent or materially delay or restructure the transactions contemplated hereby, or which otherwise questions the validity or legality of any such transactions;

(g) there shall be no statute, rules, regulation, or order enacted, entered, or enforced or deemed applicable to the transactions contemplated hereby which would prohibit or render illegal the transactions contemplated by this Agreement; and

(h) there shall not have occurred and been continuing a Material Adverse Condition for such a period of time following the date hereof such that the occurrence and continuance of such Material Adverse Condition shall have made it commercially impracticable for Purchaser to have completed a Financing (which commercial impracticability shall be demonstrated by reasonable external evidence provided by Purchaser to Seller that (i) Purchaser shall have used commercially reasonable efforts to complete the Financing; (ii) completion of such Financing was not practicable on commercially reasonable terms; and (iii) the primary reason completion of such Financing was commercially impracticable was the occurrence and continuance of the Material Adverse Condition). As used herein, "Material Adverse Condition" means the occurrence and continuance of one or more of the following events: (i) the Citi/Yield Book High-Yield Market Index, All BB-Rated (as reported in the Citi Fixed Income Indices, High-Yield Market Index Table, under the column entitled Yield to Worst) shall be 6.00% or higher (as obtained from Morgan Stanley, or any other bank or investment bank that subscribes to the Citi Fixed Income Indices), or (ii) the Russell 2000 (INDEXRUSSEL:RUT) index shall be less than 847.75, or (iii) (A) any change, effect, event, development, circumstance, condition or occurrence in the legislative or regulatory environment in which Purchaser and its subsidiaries operate, or (B) the initiation of or material change in any

action, demand, lawsuit, audit, notice of violation, proceeding or investigation of any nature against Purchaser or its subsidiaries, or (iv) the suspension or material limitation of trading generally on the NASDAQ Global Market, or (v) a material disruption in commercial banking or securities settlement or clearance services in the United States, or (vi) a declaration of a banking moratorium by the United States authorities; as used herein "Financing" means the raising by Purchaser or any of its subsidiaries of at least $100 million in the aggregate following the date of this Agreement, the proceeds of which are specifically designated to be used to fund the transactions contemplated herein; provided, however, that Purchaser agrees that Purchaser and its subsidiaries shall not launch or complete a financing of any material business or asset acquisition or any material investment prior to the consummation of the Financing, other than (i) the financing of the Seller's acquisition of Asset Acceptance Capital Corp. or (ii) financings of acquisition transactions or refinancings of existing indebtedness by Propel Acquisition LLC or any of its subsidiaries; notwithstanding anything to the contrary contained herein, the conditions set forth in this subsection (h) shall cease to be in force and shall be of no further effect from and after the date a Financing is completed by Purchaser or its subsidiaries. In the event that a Material Adverse Condition occurs, Purchaser shall promptly notify Seller of such occurrence as soon as reasonably practicable thereafter.

(i) (x) in the event that the Notes Issuer has solicited the consents of holders of its Notes to effect the Closing without the need for a Change of Control Offer (as defined in the Indenture) holders of at least a majority in aggregate principal amount of the Notes outstanding at the time of the Solicitation shall have delivered their consents thereto, and (y) in the event that the Notes Issuer has made a Change of Control Offer (as defined in the Indenture) to holders of Notes, holders of no more than five percent of the then-outstanding aggregate principal amount of Notes shall have elected to have their Notes purchased pursuant to such Change of Control Offer.

3. Representations and Warranties.

3.1 Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser as follows:

(a) Authority. Seller has all necessary power or legal capacity to enter into and deliver this Agreement, to carry out Seller's obligations hereunder, and to consummate the transactions contemplated hereby. Subject to corporate actions required to be taken by the Company in connection with the organization thereof and the issuance of the securities to Seller, all actions, authorizations, and consents required by law for the execution, delivery, and performance by Seller of this Agreement, and the consummation of the transactions contemplated hereby, have been properly taken or obtained.

(b) Execution and Delivery. This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms and conditions, except as enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency, or other similar laws affecting or relating to creditors' rights generally or by general principles of equity.

(c) No Conflicts. The execution, delivery, and performance by Seller of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not violate, conflict with or result in a breach of any term, condition or provision of, or require the consent of any person or entity under, or result in the creation of or right to create any Lien upon any of the assets of Seller under, (i) any organizational documents of Seller, (ii) any laws to which Seller is subject, (iii) any permit, judgment, order, writ, injunction, decree, or award of any Governmental Authority to which Seller is subject, or (iv) any material license, indenture, promissory note, bond, credit or loan agreement, lease, agreement, commitment or other instrument or document to which Seller is a party or by which Seller is bound.

(d) Governmental Consents. No approval, order or authorization of, or registration, declaration, or filing with, any Governmental Authority, is required to be obtained by Seller in connection with or as a result of the execution and delivery of this Agreement, or the performance of Seller's obligations hereunder.

(e) Ownership. Following formation of the Company, immediately prior to the Closing, Seller will own, beneficially and of record, free and clear of any Liens, (i) such number, class, and series of Total Securities as set forth in the recitals hereinabove, and (ii) 100 A Shares of Holdings. As of the date hereof, the Company owns, beneficially and of record, free and clear of any Liens, such number, class, and series of Holdings Securities as set forth in the recitals hereinabove. At the Closing, upon delivery of and payment for the Purchased Securities as provided in this Agreement, the Purchased Securities shall be transferred to Purchaser, and Purchaser shall have good and valid title to the Purchased Securities, free and clear of any Liens (other than Liens created or incurred by Purchaser or its affiliates).

(f) Scope of Business. The Company (i) will be formed solely for the purpose of owning the Holdings Securities and entering into the transactions contemplated hereby, (ii) upon formation, will not own assets of any kind except for the Holdings Securities, and (iii) immediately prior to the consummation of the transactions contemplated hereby, the Company will not have engaged, in any business other than ownership of the Holdings Securities and the activities incidental to its formation and the consummation of the transactions contemplated hereby. Except for liabilities incurred in connection with its formation and the transactions contemplated hereby, the Company will not have incurred, directly or indirectly, any liabilities or entered into any agreements or arrangements with any entity or person.

(g) Capitalization. Immediately prior to Closing, the Total Securities will represent the total issued and outstanding debt and equity interests of the Company and Seller will be the record and beneficial owner of the Total Securities. The number of A Shares, and the face value of the Bridge PECs and A PECs, in each case, of Holdings in issue is 6,983,360, £45,000,000, and £193,073,176, respectively, and the Company is the record and beneficial owner of the Holdings Securities. JCF III Europe Holdings LP owns, beneficially and of record, free and clear of any Liens, 100 A Shares of Holdings. Except as described in this Section 3.1(g), none of JCF III Europe Holdings LP, Seller nor any of their affiliates owns any other equity or debt interests of the Company or any of its subsidiaries.

(h) Litigation. As of the date hereof, (i) there is no claim, legal action, suit, arbitration, investigation or other proceeding pending, or to Seller's knowledge threatened,

against or relating to Seller's Total Securities; (ii) neither Seller nor any of the Total Securities are subject to any outstanding judgment, order, writ, injunction or decree of any Governmental Authority; and (iii) to Seller's knowledge there is currently no investigation or review by any Governmental Authority with respect to Seller or the Total Securities pending or threatened.

(i) No Brokers. Except for approximately £2,372,500 in fees payable to Canaccord Genuity Hawkpoint and any other fees payable as described in Section 4.3, Seller has not entered into any agreement, arrangement or understanding giving rise to any broker's, finder's, investment banker's, financial advisor's or similar fee or commission payable by Seller or Purchaser in connection with this Agreement or any of the transactions contemplated hereby.

3.2 Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller as follows:

(a) Authority. Purchaser has all necessary power or legal capacity to enter into and deliver this Agreement, to carry out Purchaser's obligations hereunder, and to consummate the transactions contemplated hereby. All actions, authorizations, and consents required by law for the execution, delivery, and performance by Purchaser of this Agreement, and the consummation of the transactions contemplated hereby, have been properly taken or obtained.

(b) Execution and Delivery. This Agreement has been duly executed, and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms and conditions, except as enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency, or other similar laws affecting or relating to creditors' rights generally or by general principles of equity.

(c) No Conflicts. The execution, delivery, and performance by Purchaser of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not violate, conflict with or result in a breach of any term, condition or provision of, or require the consent of any person or entity under, or result in the creation of or right to create any Lien upon any of the assets of Purchaser or any of its subsidiaries under, (i) any laws to which Purchaser or any of its subsidiaries or any of their respective assets are subject, (ii) any permit, judgment, order, writ, injunction, decree, or award of any Governmental Authority to which Purchaser or any of its subsidiaries or any of their respective assets are subject, or (iii) any material license, indenture, promissory note, bond, credit or loan agreement, lease, agreement, commitment or other instrument or document to which Purchaser is a party or by which Purchaser or any of its subsidiaries or any of their respective assets are bound.

(d) Governmental Consents. No consent, approval, order or authorization of, or registration, declaration, or filing with, any Governmental Authority, is required to be obtained by Purchaser in connection or as a result of the execution and delivery of this Agreement by Purchaser, or the performance of Purchaser's obligations hereunder.

(e) Available Funds. Subject to there occurring no Material Adverse Condition, Purchaser will have, on the Closing Date, sufficient cash available, or other sources of immediately available funds, to enable Purchaser to consummate the transactions and to satisfy its obligations under this Agreement.

(f) No Brokers. Purchaser has not entered into any agreement, arrangement or understanding giving rise to any broker's, finder's, investment banker's, financial advisor's or similar fee or commission payable by Seller or Purchaser in connection with this Agreement or any of the transactions contemplated hereby.

(g) Contractual Arrangements. Except as set forth in Schedule 3.2(g), Purchaser is not party to any written agreement, arrangement or contract or otherwise subject to any restriction that would following Closing, (i) prohibit or materially restrict the ability of the Company or any of its subsidiaries (including in each of clause (i) through (iii) Target and its subsidiaries) to conduct business in the European Union or compete with any third party in the European Union, (ii) require (A) the referral by the Company or any of its subsidiaries of any business or (B) the Company or any of its subsidiaries to make available investment or business opportunities or products or services on a priority, equal or exclusive basis, or (iii) affirmatively obligate the Company or any of its subsidiaries in any material respect.

4. Other Agreements.

4.1 Efforts; Governmental and Regulatory Approvals. Purchaser and Seller hereby agree to use reasonable efforts to (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under applicable laws or otherwise to promptly consummate and make effective the transactions contemplated by this Agreement; (ii) obtain all permits, authorizations, consents, orders and approvals of all governmental authorities that may be or become necessary for its execution and delivery of, and the performance of its obligations pursuant to, this Agreement; (iii) lift or rescind any injunction or restraining order or other order adversely affecting the ability of the parties to this Agreement to consummate the transactions contemplated by this Agreement; and (iv) fulfill all conditions to such party's obligations under this Agreement. Purchaser and Seller shall cooperate fully with each other in promptly seeking to obtain all such authorizations, consents, orders and approvals, giving such notices, and making such filings. Neither Purchaser nor Seller shall take any action that is reasonably likely to have the effect of materially delaying, impairing or impeding the receipt of any required authorizations, consents, orders or approvals.

4.2 Collection Center Agreement. Following the Effective Date, Purchaser and Seller shall negotiate in good faith to enter into a mutually acceptable agreement, as set forth on Schedule 4.2, between Purchaser and Seller (the "Collection Center Agreement"), whereby Purchaser will make available to Target and its subsidiaries, on or after the Closing Date, the facilities and staff of Purchaser's India collection center to support certain activities of the Target and its subsidiaries, with terms and conditions to be mutually agreed upon by Purchaser and Seller.

4.3 Payment of Expenses Regarding Acquisition of Target.

(a) Prior to the Closing, Purchaser and Seller shall calculate and agree upon all documented out-of-pocket expenses (including advisor costs but excluding payments

pursuant to Section 1.5 or 1.6 and any filing fees or other payments to any Governmental Authority (other than United Kingdom stamp duty to the extent incurred) in connection with the transactions contemplated by this Agreement) incurred by Seller and Purchaser, their respective affiliates, in connection with the Acquisition and the transactions contemplated by this Agreement (the "Total Costs") prior to the date hereof. For the avoidance of doubt, with respect to fees allocated pursuant to the Investment Agreement to the parties thereto, Total Costs shall only include amounts allocable to Investors (as defined in the Investment Agreement) pursuant to Section 14.1 of the Investment Agreement. On the Closing Date, Purchaser or its affiliates shall reimburse the relevant parties on a pro rata basis for an amount equal to (i) 50.1% of the Total Costs less (ii) the amount of the Total Costs previously paid by Purchaser or its affiliates. Following the Closing Date, each of Seller and Purchaser shall be responsible for, and shall promptly following invoice thereof cause to be paid or reimbursed to the relevant parties, (i) in the case of Seller, 49.9% of the Total Costs not accounted for in the Closing Date payment and (ii) in the case of Purchaser, 50.1% of the Total Costs not accounted for in the Closing Date payment.

(b) If the Closing does not occur by the Outside Date (as defined below), then Purchaser or its affiliates shall pay to Seller (or an affiliate of Seller designated by it in writing) an amount equal to fifty-percent (50%) of the reasonable documented out-of-pocket expenses (including advisor costs, but excluding payments pursuant to Section 1.5 or 1.6) incurred by Seller or its affiliates in connection with the Acquisition and the transactions contemplated by this Agreement prior to the Outside Date.

(c) Whether or not the Closing occurs, Purchaser shall be responsible for the payment of any filing fees or other payments to any Governmental Authority (other than United Kingdom stamp duty to the extent incurred) in connection with the transactions contemplated by this Agreement.

4.4 Taxes.

(a) Each of Purchaser and Seller agrees to elect and treat the Company as a partnership for United States federal income tax purposes, shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment and shall not take any action inconsistent with such treatment.

(b) To the extent permitted by applicable law, each of Seller and Purchaser agrees to use its best efforts to cause Bidco to timely file an election under Section 338(g) of the U.S. Internal Revenue Code of 1986, as amended, in connection with Bidco's acquisition of the issued share capital of Target.

4.5 Conduct of Business. From the Effective Date until the earlier of (i) the Closing Date or (ii) the date this Agreement is terminated in accordance with Section 6, Seller and its affiliates shall, to the extent possible by exercise of its voting rights, control rights or other similar rights of Holdings and its subsidiaries, (a) ensure that the business of Target is carried on by Target in the ordinary course of business as of the Effective Date in a manner consistent with past practice (the "Cabot Ordinary Course Business"), unless otherwise expressly permitted by this Agreement, or as otherwise expressly approved in writing by Purchaser, such

approval not to be unreasonably withheld or delayed, and (b) timely inform Purchaser and, to the extent commercially reasonable and appropriate, involve Purchaser in communications and discussions regarding any substantial deviations from the Cabot Ordinary Course Business.

4.6 Lender Consent. Seller shall use all reasonable efforts, and Purchaser shall cooperate with such efforts (including by providing information reasonably requested by Seller), to seek to cause the Target to receive a letter (or separate letters) signed by those Lenders (as defined in the Acquisition Agreement) whose Commitments (as defined in the Acquisition Agreement) amount to at least 60% of the Total Commitments (as defined in the Acquisition Agreement), giving (and not having withdrawn) their consent to the Change of Control (as defined in the Acquisition Agreement) constituted by the transfer of Purchased Securities pursuant to this Agreement (which consent may be conditional only in respect of the Closing), as soon as possible after the date of this Agreement. Seller and Purchaser shall provide (to the extent within the control or ability of the relevant party to provide) to the Lenders (as defined in the Acquisition Agreement) such information, documentation and other evidence in relation to such party or its affiliates as is reasonably requested by any such Lender in connection with such Lender's decision making process, where the necessary information has not already been provided to the Lender, in each case promptly upon request by the relevant Lenders.

4.7 Notice to the Noteholders. Seller shall use reasonable efforts to cause the Target to give notice of the transaction contemplated by this Agreement to the holders of the Notes.

5. General Provisions.

5.1 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or email (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid, at the address, fax number or email indicated below such party's signature line on this Agreement, or such other address, fax number or email address as such party may designate by 10 days' advance written notice to all other parties to this Agreement.

5.2 No Waiver. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature.

5.3 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, as such laws are applied to contracts entered into and performed in such State, without reference to principles of conflicts of laws.

5.4 Confidentiality. Purchaser and Seller agree that the terms and conditions of this Agreement and any related documentation, as well as any information included in any of

Purchaser's or Seller's documentation or materials exchanged by the parties in connection with this Agreement and the identity of Purchaser's investors or any other financing sources are to be considered strictly confidential and shall be governed by the terms and conditions of the Confidentiality Agreement, dated February 5, 2013, by and between Encore Capital Group, Inc. and J.C. Flowers & Co. UK LLP (the "Confidentiality Agreement"). Notwithstanding the foregoing provisions of this Section 5.4, Seller and Purchaser may make disclosure concerning this Agreement and the transactions contemplated hereby to their respective Affiliates, partners, officers, directors, employees, agents, accountants, attorneys and other parties who have a need to know (which parties shall include a current investor of Seller or its Affiliates).

5.5 Waiver of Jury Trial. To the extent not prohibited by applicable law that cannot be waived, each party hereto hereby waives and covenants that it will not assert (whether as plaintiff, defendant or otherwise) any right to trial by jury in any forum in respect of any issue or action (in contract, tort or otherwise) arising out of or based upon this Agreement or the subject matter hereof or in any way connected with or related or incidental to the transactions contemplated hereby, in each case whether now existing or hereafter arising. Each party hereto acknowledges that it has been informed by the other party hereto that this Section 5.5 constitutes a material inducement upon which they are relying and will rely in entering into this Agreement. Either party hereto may file an original counterpart or a copy of this Section 5.5 with any court as written evidence of the consent of each such party to the waiver of its right to trial by jury.

5.6 Arbitration.

(a) The parties hereto mutually agree to final and binding arbitration of all disputes, claims or causes of action arising out of or related to this Agreement, including any question regarding its existence, validity, or termination, and any question as to whether a particular dispute is arbitrable hereunder, shall be referred to and finally resolved by binding arbitration administered by the International Chamber of Commerce (the "ICC") and conducted pursuant to its Rules of Arbitration (the "ICC Rules") by three arbitrators appointed in accordance with the ICC Rules. The place of arbitration shall be New York, New York and the language to be used in the arbitral proceedings shall be English. Judgment upon the award may be entered by any court having jurisdiction thereof, including any court outside the United States. The parties hereby waive in any legal proceedings concerning or arising out of any such arbitration, including without limitation proceedings to compel arbitration, stay litigation, issue interim measures of protection including attachments, issue an injunction prior to the constitution of the arbitral tribunal, recognize or enforce an arbitral award, or enforce a court judgment issued on an arbitral award ("Ancillary Proceedings") any defense of lack of personal jurisdiction or forum non conveniens or other similar doctrine. Without limitation, the parties hereby consent to the jurisdiction of the courts sitting in the place of arbitration in connection with any Ancillary Proceedings. The arbitral tribunal shall have the power to grant interim measures in accordance with the ICC Rules. Any party to the arbitration shall bear its own costs and expenses (including all attorneys' fees and expenses, except to the extent otherwise required by applicable law) and all costs and expenses of the arbitration proceeding (such as filing fees, the arbitrator's fees, hearing expenses, etc.) shall be borne equally by the parties. The parties waive irrevocably their right to any form of appeal, review or recourse to any judicial authority, insofar as such waiver may be validly made, with respect to any award of the arbitrator, including interim or partial awards, and including with respect to questions of law. The arbitrator has the authority only to

award the equitable relief, damages, costs and fees that would have been available to a party had the dispute(s), claim(s) or cause(s) of action been litigated in court under the applicable law specified in this Agreement. This Agreement, and the decision and award of the arbitrator, may be enforced by a court of competent jurisdiction, and the parties may assert this Agreement as a defense in any proceeding.

(b) In addition, the parties agree that (i) the arbitrator shall have no authority to make any decision, judgment, ruling, finding, award or other determination that does not conform to the terms and conditions of this Agreement (as executed and delivered by the parties hereto) and (ii) the arbitrator shall have no greater authority to award any relief than a court having proper jurisdiction. Any decision, judgment, ruling, finding, award or other determination of the arbitrator and any information disclosed in the course of any arbitration hereunder (collectively, the "Arbitration Information") shall be kept confidential by the parties subject to Section 5.4, and any appeal from or motion to vacate or confirm such decision, judgment, ruling, finding, award or other determination shall be filed under seal.

(c) In the event that either party or any of such party's affiliates, associates or representatives is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand or similar process) to disclose any Arbitration Information (the "Disclosing Party"), such Disclosing Party shall notify the other party promptly of the request or requirement so that the other party may seek an appropriate protective order or waive compliance with the provisions hereof. If, in the absence of a protective order or the receipt of a waiver hereunder, the Disclosing Party or any of its affiliates, associates or representatives believes in good faith, upon the advice of legal counsel, that it is compelled to disclose any such Arbitration Information, such Disclosing Party may disclose such portion of the Arbitration Information as it believes in good faith, upon the advice of legal counsel, it is required to disclose; provided, that the Disclosing Party shall use reasonable efforts to obtain, at the request and expense of the other party, an order or other assurance that confidential treatment shall be accorded to such portion of the Arbitration Information required to be disclosed as such other party shall designate. Notwithstanding anything herein to the contrary, the parties shall have no obligation to keep confidential any Arbitration Information that becomes generally known to and available for use by the public other than as a result of the Disclosing Party's acts or omissions or the acts or omissions of such party's affiliates, associates or representatives.

(d) The arbitration requirement does not limit the right of either party to obtain provisional or ancillary remedies, such as injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of either party to submit any dispute to arbitration or reference hereunder.

(e) To the maximum extent practicable, the ICC, the arbitrator and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the dispute with the ICC. If more than one agreement for arbitration among the parties potentially applies to a dispute, the arbitration provision most directly related to this Agreement or the subject matter of the dispute shall control. This arbitration provision shall survive termination, amendment or expiration of this Agreement or any relationship among the parties.

5.7 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The parties agree that this Agreement shall be legally binding upon the electronic transmission, including by facsimile or email, by each party of a signed signature page to this Agreement to the other party.

5.8 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, Purchaser, Seller and each of their respective legal representatives, heirs, legatees, distributees, and permitted assigns, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms and conditions hereof.

5.9 Assignment. Neither this Agreement nor any of the rights or obligations under this Agreement may be assigned by Purchaser or Seller without the prior written consent of Seller (in the case of an assignment by Purchaser) or Purchaser (in the case of an assignment by Seller), provided, however, that Purchaser may, prior to Closing, assign all of its rights and obligations hereunder (other than with respect to its obligations under Section 5.16, which shall remain with Encore Capital Group, Inc.) to any direct or indirect wholly owned subsidiary of Purchaser ("Assignee").

5.10 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

5.11 No Third-Party Benefits. Except as provided in Section 4.3, none of the provisions of this Agreement shall be for the benefit of, or enforceable by, any third-party beneficiary.

5.12 Entire Agreement. This Agreement, the Subscription Agreement, the Acquisition Agreement, the Investment Agreement, the Investors Agreement and Shared Services Agreement and the other agreements and instruments referred to herein and therein constitute the entire contractual understanding between the parties and supersedes all proposals, commitments, writings, negotiations, and understandings, or and written, and all other communications between the parties relating to the subject matter hereof.

5.13 Headings. The headings of the Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

5.14 No Recourse. This Agreement may only be enforced against the named parties hereto. All claims or causes of action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement may be made only against the entities that are expressly identified hereto, and no past, present or future director, officer, employee, incorporator, member, manager, partner, shareholder, affiliate, agent, attorney or representative of any party hereto (including any person negotiating or executing this Agreement on behalf of a party hereto) shall have any liability or obligation with respect to this Agreement or with respect to any claim or cause of action, whether in tort, contract or otherwise, that may arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement and the transactions contemplated hereby. This Section 5.14 does not limit any liability of any person under the Confidentiality Agreement.

5.15 Specific Performance. The parties agree that if any of the provisions of this Agreement were not performed by the parties hereto in accordance with their specific terms or were otherwise breached thereby at or prior to the Closing, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that each party hereto will be entitled to specific performance at or prior to the Closing to prevent such breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which it may be entitled at law or in equity.

5.16 Guarantee. Purchaser hereby irrevocably and unconditionally guarantees the full and timely performance by Assignee of each and every obligation of Assignee hereunder. This guarantee is one of performance, not of collection, and shall not be subject to any offset or defense other than those that could be asserted by Assignee itself. This guarantee with respect to the obligations of Assignee shall remain in full force and effect until the consummation of the this Agreement.

6. Termination.

6.1 Termination Procedure. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Purchaser and Seller;

(b) by either Purchaser or Seller if the Closing has not occurred on or before August 13, 2013 (the "Outside Date"); provided, however that neither Purchaser nor Seller shall be entitled to terminate this Agreement pursuant to this Section 6.1(b) if such party's breach of this Agreement has prevented the consummation of the Closing; provided, further, if the consummation of the Closing has been prevented as a result of the failure to satisfy the condition set forth in Section 2.2(h), the Outside Date shall be extended automatically to the date that is the number of days after September 2, 2013 equal to the number of Extension Days, but in no event beyond September 30, 2013. As used herein, "Extension Days" means the number of days on which a Material Adverse Condition exists during the 30 day period prior to August 13, 2013;

(c) by Purchaser with written notice to Seller, if the representations and warranties of Seller shall not be true and correct or there has been a material violation or

breach by Seller of any covenant, representation or warranty contained in this Agreement, in each case, which has prevented the satisfaction of any condition precedent in Section 2.2 at the Closing and such failure, violation or breach has not been waived by Purchaser or cured by Seller within 15 days after written notice thereof from Purchaser; provided, however that Purchaser is not in material breach of its obligations under this Agreement;

(d) by Seller with written notice to Purchaser, if the representations and warranties of Purchaser shall not be true and correct or there has been a material violation or breach by Purchaser of any covenant, representation or warranty contained in this Agreement, in each case, which has prevented the satisfaction of any condition precedent in Section 2.1 at the Closing and such failure, violation or breach has not been waived by Seller or cured by Purchaser within 15 days after written notice thereof from Seller; provided, however that Seller is not in material breach of its obligations under this Agreement; and

(e) by either Purchaser or Seller if there shall be any law that makes consummation of the transactions contemplated hereby illegal or if the consummation of the transactions contemplated hereby would violate any final non-appealable order of any governmental entity have competent jurisdiction.

6.2 Effect of Termination. If this Agreement is terminated as described in this Section 6, this Agreement shall become void and of no further force or effect, except that (i) the provisions of Section 5 and Section 6 shall survive any termination of this Agreement and (ii) if the termination of this Agreement is effected in accordance with Section 6.1(b), the terms of this Agreement and the transactions contemplated hereby shall be subject to renegotiation. Nothing in this Section 6.2 shall be deemed to release any party from any liability for any breach of such party of the terms and provisions of this Agreement.

(Signature Page Follows)

IN WITNESS WHEREOF, this Securities Purchase Agreement has been duly executed and delivered by the parties hereto as of the Effective Date.

SELLER

JCF III EUROPE S.À R.L.

By: /s/ Jens Hoellermann

Name: Jens Hoellermann
Title: Manager

Address: 47, Avenue John F. Kennedy, L-1855
Luxembourg

Facsimile: (212) 404 - 6899
Email:

PURCHASER

ENCORE CAPITAL GROUP, INC.

By: /s/ Paul Grinberg

Name: Paul Grinberg
Title: Chief Financial Officer

Address: 3111 Camino Del Rio North
Suite 1300
San Diego, California 92108

Facsimile: (858) 309 - 1546
Email:

Exhibit 10.17

AMENDMENT NO. 2 TO
AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDMENT NO. 2 TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment"), dated as of May 29, 2013, is entered into by and among ENCORE CAPITAL GROUP, INC., a Delaware corporation (the "Borrower"), the Guarantors identified on the signature pages hereto, certain Lenders (as defined in the Credit Agreement (as defined below)) party hereto, and SUNTRUST BANK, as Administrative Agent (in such capacity, the "Administrative Agent"), Collateral Agent, Swingline Lender and Issuing Lender.

RECITALS

WHEREAS, the Borrower, the Lenders and the Administrative Agent are parties to that certain Amended and Restated Credit Agreement dated as of November 5, 2012 (as amended by that certain Amendment No. 1 and Limited Waiver to Amended and Restated Credit Agreement dated as of May 9, 2013, as the same may be further amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which the Lenders have extended revolving credit and term loan facilities to the Borrower; and

WHEREAS, the Borrower has requested certain amendments to the Credit Agreement set forth herein, and the Administrative Agent and each of the undersigned Lenders have agreed to such requests, subject to the terms and conditions of this Amendment;

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to such terms in the Credit Agreement, as amended by this Amendment.

2. Amendments to Credit Agreement. Subject to the terms and conditions hereof, and with effect from and after the Amendment Effective Date (as defined below), the Credit Agreement is hereby amended as follows:

(a) Section 1.1 of the Credit Agreement is hereby amended by amending and restating in its entirety the proviso at the end of the definition of "Acquisition" to read as follows:

"; *provided, however*, that the following shall not be considered "Acquisitions": (a) any asset purchase consisting solely of Receivables Portfolios, (b) the purchase of equity interests of an entity (1) the assets of which consist solely of Receivables, (2) which has not engaged in the conduct of business and (3) which has no Indebtedness, (c) any asset purchase by one or more Subsidiaries of Propel Acquisition LLC consisting solely of Tax Liens and (d) the purchase of equity interests by any Subsidiary of Propel Acquisition LLC of an entity (1) the assets of which consist solely of Tax Liens, (2) which has not engaged in the conduct of business and (3) which has no Indebtedness".

(b) Section 1.1 of the Credit Agreement is hereby amended by amending and restating in its entirety the definition of "Investment" to read as follows:

"'Investment' of a Person means any loan, advance (other than commission, travel and similar advances to officers, employees made in the ordinary course of

business), extension of credit (other than Accounts arising in the ordinary course of business, but including Contingent Obligations with respect to any obligation or liability of another Person) or contribution of capital by such Person; stocks, bonds, mutual funds, limited liability company interests, partnership interests, notes, debentures or other securities owned by such Person; any deposit accounts and certificate of deposit owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person; *provided, however*, that the following shall not be considered an "Investment": (a) the purchase of equity interests of an entity (1) the assets of which consist solely of Receivables, (2) which has not engaged in the conduct of business and (3) which has no Indebtedness, (b) the purchase of equity interests by any Subsidiary of Propel Acquisition LLC of an entity (1) the assets of which consist solely of Tax Liens, (2) which has not engaged in the conduct of business and (3) which has no Indebtedness and (c) Permitted Restructurings."

(c) Section 1.1 of the Credit Agreement is hereby amended by adding the following definition of "Tax Liens" in proper alphabetical order:

"Tax Liens" means liens on the assets of any Person in respect of delinquent property tax receivables.

(d) Section 1.1 of the Credit Agreement is hereby amended by deleting the reference to "Section 7.4(k)" at the end of clause (a)(iii) in the definition of the term "Unrestricted Subsidiary" and substituting in lieu thereof a reference to "Section 7.4(k) or (l)".

(e) Section 5.9 of the Credit Agreement is hereby amended by deleting the reference therein to "Section 7.4(c)" and substituting in lieu thereof a reference to "Section 7.4(c) and (l)".

(f) Section 7.4 of the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of clause (j) thereof, (ii) deleting the "." at the end of clause (k) thereof, replacing it with "; and" and (iii) adding the following new clause (l) immediately thereafter:

"(l) Investments in one or more Unrestricted Subsidiaries that are made for the purpose of consummating the Acquisition of Cabot Credit Management Limited and certain of its Subsidiaries; provided that, (x) no Default or Event of Default shall have occurred and be continuing as of the date of any such Investment or would result from the making of any such Investment and (y) such Investments under this clause (l) shall not exceed $230,000,000 in an aggregate at any time outstanding."

3. Representations and Warranties. The Borrowers and the Guarantors hereby represent and warrant to the Administrative Agent and the Lenders as follows:

(a) No Default or Event of Default has occurred and is continuing as of the date hereof, nor will any Default or Event of Default exist immediately after giving effect to this Amendment.

(b) The execution, delivery and performance by each Loan Party of this Amendment are within such Loan Party's organizational powers and have been duly authorized by all necessary organizational, and if required, shareholder, partner or member, action. This Amendment has been duly executed and delivered by each Loan Party. Each of this Amendment and the Credit Agreement, as amended hereby, constitute the valid and binding obligations of the Loan Parties, enforceable against them in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(c) The execution, delivery and performance by the Loan Parties of this Amendment (i) do not require any consent or approval of, registration or filing with, or any action by, any Governmental Authority, except those as have been obtained or made and are in full force and effect, (ii) will not violate any organizational documents of, or any law applicable to, any Loan Party or any judgment, order or ruling of any Governmental Authority, (iii) will not violate or result in a default under the Credit Agreement, the Prudential Senior Secured Note Agreement, any Material Indebtedness Agreement, any other material agreement or other material instrument binding on any Loan Party or any of their assets or give rise to a right thereunder to require any payment to be made by any Loan Party, (iv) will not result in the creation or imposition of any Lien on any asset of any Loan Party, except Liens (if any) created under the Loan Documents and/or (v) will not result in a material limitation on any licenses, permits or other governmental approvals applicable to the business, operations or properties of the Loan Parties.

(d) The execution, delivery, performance and effectiveness of this Amendment will not: (i) impair the validity, effectiveness or priority of the Liens granted pursuant to any Loan Document, and such Liens continue unimpaired with the same priority to secure repayment of all of the applicable Obligations, whether heretofore or hereafter incurred and (ii) require that any new filings be made or other action taken to perfect or to maintain the perfection of such Liens.

4. Effective Date.

(a) This Amendment will become effective on the date on which each of the following conditions has been satisfied (the "Amendment Effective Date") to the satisfaction of the Administrative Agent:

(i) the Administrative Agent shall have received counterparts of this Amendment duly executed by the Loan Parties and the Required Lenders;

(ii) the Administrative Agent shall have received a certificate of a Responsible Officer, in form and substance acceptable to Administrative Agent, certifying that, before and immediately after giving effect to this Amendment, (1) the representations and warranties contained in Article IV of the Credit Agreement are true and correct in all material respects (or, if qualified by materiality or Material Adverse Effect, in all respects) on and as of the Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date and (2) no Default or Event of Default exists and is continuing;

(iii) the Administrative Agent shall have received a certificate of a Responsible Officer, in form and substance acceptable to Administrative Agent, certifying that attached thereto are true and complete copies of the resolutions adopted by Borrower approving this Amendment;

(iv) the Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced at least two (2) Business Days prior to or on the Amendment Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings;

(v) the Administrative Agent shall have received certified copies of all consents, approvals, authorizations, registrations and filings and orders required or advisable to be made or obtained under applicable laws in connection with the execution, delivery, performance, validity and enforceability of this Amendment, and such consents, approvals, authorizations, registrations, filings and orders shall be in full force and effect and all applicable waiting periods shall have expired;

(vi) the Administrative Agent shall have received a certified copy of an amendment to the Prudential Senior Secured Note Agreement duly executed by each party thereto, in form and substance acceptable to the Administrative Agent; and

(vii) the Administrative Agent shall have received such other instruments, documents and certificates as the Administrative Agent shall reasonably request in connection with the execution of this Amendment.

(b) For purposes of determining compliance with the conditions specified in this Section 4, each Lender that has executed this Amendment and delivered it to the Administrative Agent shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter required under Section 4 to be consented to or approved by or acceptable or satisfactory to such Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Amendment Effective Date specifying its objection thereto.

(c) From and after the Amendment Effective Date, the Credit Agreement is amended as set forth herein. Except as expressly amended pursuant hereto, the Credit Agreement shall remain unchanged and in full force and effect and is hereby ratified and confirmed in all respects.

(d) The Administrative Agent will notify the Borrower and the Lenders of the occurrence of the Amendment Effective Date.

5. Miscellaneous.

(a) Except as herein expressly amended, all terms, covenants and provisions of the Credit Agreement and each other Loan Document are and shall remain in full force and effect and all references in any Loan Document to the "Credit Agreement" shall henceforth refer to the Credit Agreement as amended by this Amendment. Nothing in this Amendment or in any of the transactions contemplated hereby is intended, or shall be construed, to constitute a novation or an accord and satisfaction of any of the Obligations of the Borrower under the Credit Agreement or to modify, affect or impair the perfection, priority or continuation of the security interests in, security titles to or other Liens on any Collateral for the Obligations.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns.

(c) THIS AMENDMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 10.6 AND 10.7 OF THE CREDIT AGREEMENT RELATING TO GOVERNING LAW, JURISDICTION AND WAIVER OF RIGHT TO TRIAL BY JURY, THE PROVISIONS OF WHICH ARE BY THIS REFERENCE INCORPORATED HEREIN IN FULL.

(d) This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the

entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties required to be a party hereto. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may not be amended except in accordance with the provisions of Section 10.2 of the Credit Agreement.

(e) If any provision of this Amendment or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Loan Documents, or constitute a course of conduct or dealing among the parties. The Administrative Agent and the Lenders reserve all rights, privileges and remedies under the Loan Documents.

(f) The Borrower shall reimburse the Administrative Agent upon demand for all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) incurred by the Administrative Agent in connection with the preparation, negotiation and execution of this Amendment and the other agreements and documents executed and delivered in connection herewith.

(g) In consideration of the amendments contained herein, each of the Loan Parties hereby waives and releases each of the Lenders, the Administrative Agent and the Collateral Agent from any and all claims and defenses, known or unknown as of the date hereof, with respect to the Credit Agreement and the other Loan Documents and the transactions contemplated hereby and thereby.

(h) This Amendment shall constitute a "Loan Document" under and as defined in the Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

ENCORE CAPITAL GROUP, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: Chief Executive Officer

SUNTRUST BANK,
as Administrative Agent and as Lender

By: /s/ Peter Wesemeier
Name: Peter Wesemeier
Title: Vice President

BANK OF AMERICA, N.A.,
as Lender

By: /s/ Angel Sutoyo
Name: Angel Sutoyo
Title: Senior Vice President

FIFTH THIRD BANK, as Lender

By: /s/ Gregory J Vollmer
Name: Gregory J Vollmer
Title: Vice President

ING CAPITAL LLC, as Lender

By: /s/ Mary Forstner
Name: Mary Forstner
Title: Director

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Lender

By: /s/ Roey Eyal
Name: Roey Eyal
Title: Director

By: /s/ Denise Chen
Name: Denise Chen
Title: Vice President

CALIFORNIA BANK & TRUST, as Lender

By: /s/ Michael Powell
Name: Michael Powell
Title: Senior Vice President

CITIBANK, N.A., as Lender

By: /s/ Rita Raychaudhuri
Name: Rita Raychaudhuri
Title: Senior Vice President

BANK LEUMI USA, as Lender

By: /s/ Alex Menache
Name: Alex Menache
Title: A.T.

FIRST BANK, as Lender

By: /s/ Susan J. Pepping
Name: Susan J. Pepping
Title: Senior Vice President

CATHAY BANK, CALIFORNIA BANKING CORPORATION, as Lender

By: /s/ Shahid Kathrada
Name: Shahid Kathrada
Title: Vice President

MANUFACTURERS BANK, as Lender

By: /s/ Sandy Lee
Name: Sandy Lee
Title: Vice President

BARCLAYS BANK PLC, as Lender

By: /s/ Patrick Kerner
Name: Patrick Kerner
Title: Assistant Vice President

RBS CITIZENS, N.A., as Lender

By: /s/ Megan Livingston
Name: Megan Livingston
Title: Vice President

TORREY PINES BANK, as Lender

By: /s/ Robert McNamara
Name: Robert McNamara
Title: Senior Vice President

Each of the undersigned hereby makes the representations and warranties set forth above in this Amendment, consents to this Amendment and the terms and provisions hereof and hereby (a) confirms and agrees that notwithstanding the effectiveness of such Amendment, each Loan Document to which it is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of such Amendment, each reference in the Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import shall mean and be a reference to the Credit Agreement, as amended by this Amendment, (b) confirms and agrees that the pledge and security interest in the Collateral granted by it pursuant to the Collateral Documents to which it is a party shall continue in full force and effect, and (c) acknowledges and agrees that such pledge and security interest in the Collateral granted by it pursuant to such Collateral Documents shall continue to secure the Obligations purported to be secured thereby, as amended or otherwise affected hereby.

ENCORE CAPITAL GROUP, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: Chief Executive Officer

MIDLAND CREDIT MANAGEMENT, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: Chief Executive Officer

MIDLAND FUNDING LLC

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND FUNDING NCC-2 CORPORATION

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND INTERNATIONAL LLC

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND PORTFOLIO SERVICES, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MRC RECEIVABLES CORPORATION

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND INDIA LLC

By: /s/ Glen V. Freter
Name: Glen V. Freter
Title: Treasurer

PROPEL ACQUISITION, LLC

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

Exhibit 10.18

AMENDMENT NO. 1

Dated as of May 29, 2013

to

SECOND AMENDED AND RESTATED SENIOR SECURED NOTE PURCHASE AGREEMENT

Dated as of May 9, 2013

THIS AMENDMENT NO. 1 ("Amendment") is made as of May 29, 2013 by and among Encore Capital Group, Inc. (the "Company") and the undersigned holders of Notes (the "Noteholders"). Reference is made to that certain Second Amended and Restated Senior Secured Note Purchase Agreement, dated as of May 9, 2013, between the Company, on the one hand, and the Purchasers named therein, on the other hand (as amended, supplemented or otherwise modified from time to time, the "Note Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Note Agreement.

WHEREAS, the Company has requested that the Noteholders agree to a certain amendments with respect to the Note Agreement as provided in this Amendment;

WHEREAS, the Noteholders party hereto have agreed to such amendments on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Noteholders party hereto have agreed to enter into this Amendment.

1. Amendments to Note Agreement. Effective as of the Effective Date, the Note Agreement is amended as follows:

(a) Section 10.4 of the Note Agreement is hereby amended by deleting the "and" at the end of Section 10.4.10, deleting the "." at the end of Section 10.4.11 and replacing it with "; and", and adding the following new Section 10.4.12 immediately thereafter:

"10.4.12 Investments in one or more Unrestricted Subsidiaries that are made for the purpose of consummating the Acquisition of Cabot Credit Management Limited and certain of its Subsidiaries; provided that (x) no Default or Event of Default shall have occurred and be continuing as of the date of any such Investment or would result from the making of any such Investment and (y) such Investment under this Section 10.4.12 shall not exceed $230,000,000 in the aggregate at any time outstanding."

(b) Schedule B of the Note Agreement is hereby amended by amending and restating in its entirety the proviso at the end of the definition of "Acquisition" to read as follows:

"provided, however, that the following shall not be considered "Acquisitions": (a) any asset purchase consisting solely of Receivables Portfolios; (b) the purchase of equity interests of an entity (1) the assets of which consist solely of Receivables, (2) which has not engaged in the conduct of business and (3) which has no Indebtedness; (c) any asset purchase by one or more Subsidiaries of Propel Acquisition LLC consisting solely of Tax Liens; and (d) the purchase of equity interests by any Subsidiary of Propel Acquisition LLC of an entity (1) the assets of which consist solely of Tax Liens, (2) which has not engaged in the conduct of business and (3) which has no Indebtedness."

(c) Schedule B of the Note Agreement is hereby amended by amending and restating in its entirety the definition of "Investment" to read as follows:

"**Investment**" of a Person means any loan, advance (other than commission, travel and similar advances to officers, employees made in the ordinary course of business), extension of credit (other than Accounts arising in the ordinary course of business, but including Contingent Obligations with respect to any obligation or liability of another Person) or contribution of capital by such Person; stocks, bonds, mutual funds, limited liability company interests, partnership interests, notes, debentures or other securities owned by such Person; any deposit accounts and certificate of deposit owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person; provided, however, that the following shall not be considered an "Investment": (a) the purchase of equity interests of an entity (1) the assets of which consist solely of Receivables, (2) which has not engaged in the conduct of business and (3) which has no Indebtedness; (b) the purchase of equity interests by any Subsidiary of Propel Acquisition LLC of an entity (1) the assets of which consist solely of Tax Liens, (2) which has not engaged in the conduct of business and (3) which has no Indebtedness; and (c) Permitted Restructurings."

(d) Schedule B of the Note Agreement is hereby amended by adding the following definition of "Tax Liens" in proper alphabetical order:

""**Tax Liens**" means liens on the assets of any Person in respect of delinquent property tax receivables."

(e) Schedule B of the Note Agreement is hereby amended by deleting the reference to "Section 10.4.11" at the end of clause (a)(iii) in the definition of the term "Unrestricted Subsidiary" and substituting in lieu thereof a reference to "Section 10.4.11 or Section 10.4.12."

2. Conditions of Effectiveness. The effectiveness of this Amendment is subject to the conditions precedent that: (a) the Noteholders shall have received (i) counterparts of this Amendment, duly executed by the Company and the Required Holders, and the Consent and Reaffirmation attached hereto duly executed by the Guarantors and (ii) a fully executed copy of a corresponding amendment of the Credit Agreement, which shall be in form and substance reasonably satisfactory to the Required Holders; and (b) the Company shall have paid, to the extent invoiced, all fees and expenses of the Noteholders (including attorneys' fees and expenses) in connection with this Amendment and the other Transaction Documents.

3. Representations and Warranties of the Company. The Company hereby represents and warrants as follows:

(a) This Amendment and the Note Agreement as amended hereby constitute legal, valid and binding obligations of the Company and are enforceable against the Company in accordance with their terms.

(b) As of the date hereof and giving effect to the terms of this Amendment, (i) there exists no Default or Event of Default and (ii) the representations and warranties contained in Section 5 of the Note Agreement are true and correct, except for representations and warranties made with reference solely to an earlier date, which are true and correct as of such earlier date.

4. Reference to and Effect on the Note Agreement.

(a) Upon the effectiveness hereof, each reference to the Note Agreement in the Note Agreement or any other Transaction Document shall mean and be a reference to the Note Agreement as amended hereby.

(b) Except as specifically amended above, the Note Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) Other than as expressly set forth herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Noteholders, nor constitute a waiver of any provision of the Note Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

5. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the State of New York, excluding choice-of-law principles of the law of such state that would permit the application of the laws of a jurisdiction other than such state.

6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

ENCORE CAPITAL GROUP, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: Chief Executive Officer

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: /s/ Jason Richardson
Vice President

PRUCO LIFE INSURANCE COMPANY

By: /s/ Jason Richardson
Vice President

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

By: Prudential Investment Management, Inc.,
investment manager

By: /s/ Jason Richardson
Vice President

PRUDENTIAL ANNUITIES LIFE ASSURANCE CORPORATION

By: Prudential Investment Management, Inc.,
investment manager

By: /s/ Jason Richardson
Vice President

CONSENT AND REAFFIRMATION

Each of the undersigned hereby acknowledges receipt of a copy of the foregoing Amendment No. 1 to the Second Amended and Restated Senior Secured Note Agreement dated as of May 9, 2013 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Note Agreement") by and between Encore Capital Group, Inc. (the "Company") and the holders of Notes party thereto (the "Noteholders"), which Amendment No. 1 is dated as of May 29, 2013 (the "Amendment"). Capitalized terms used in this Consent and Reaffirmation and not defined herein shall have the meanings given to them in the Note Agreement. Without in any way establishing a course of dealing by any Noteholder, each of the undersigned agrees to be bound by its obligations under Section 1 of the Amendment and consents to the Amendment and reaffirms the terms and conditions of the Multiparty Guaranty, the Pledge and Security Agreement and any other Transaction Document executed by it and acknowledges and agrees that such agreement and each and every such Transaction Document executed by the undersigned in connection with the Note Agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed.

All references to the Note Agreement contained in the above-referenced documents shall be a reference to the Note Agreement as modified by the Amendment and as each of the same may from time to time hereafter be amended, modified or restated.

Dated: May 29, 2013

[Signature Page Follows]

MIDLAND CREDIT MANAGEMENT, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

PROPEL ACQUISITION LLC

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND PORTFOLIO SERVICES, INC.

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND FUNDING LLC

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND INDIA LLC

By: /s/ Glen V. Freter
Name: Glen V. Freter
Title: Assistant Treasurer

MIDLAND INTERNATIONAL LLC

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MIDLAND FUNDING NCC-2 CORPORATION

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

MRC RECEIVABLES CORPORATION

By: /s/ J. Brandon Black
Name: J. Brandon Black
Title: President

Exhibit 10.23

AMENDMENT TO
SECURITIES PURCHASE AGREEMENT

This AMENDMENT TO SECURITIES PURCHASE AGREEMENT (this "Amendment") is entered into as of July 1, 2013, by and between **Encore Europe Holdings S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 560A, rue de Neudorf, L-2220 Luxembourg, not yet registered with the Luxembourg Trade and Companies Register and having a share capital of £15,000 ("Purchaser") and **JCF III Europe S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 47, avenue John F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 161027 and having a share capital of EUR 8,501,530 ("Seller"). Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Purchase Agreement (as defined below).

RECITALS

WHEREAS, Encore Capital Group, Inc., a Delaware Corporation (the "Assignor"), and Seller have entered into that certain Securities Purchase Agreement dated as of May 29, 2013 (as amended, the "Purchase Agreement");

WHEREAS, in accordance with Section 5.9 of the Purchase Agreement, Assignor has assigned, and Purchaser has assumed, all of Assignor's rights and obligations in, to and under the Purchase Agreement (other than with respect to Assignor's obligations under Section 5.16 of the Purchase Agreement, which shall remain with Assignor), pursuant to that certain Assignment and Assumption Agreement dated June 28, 2013; and

WHEREAS, Purchaser and Seller have agreed to amend the Purchase Agreement pursuant to this Amendment, as set forth herein.

AGREEMENT

In consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Purchaser and Seller each agree to amend the Purchase Agreement as follows:

1. The seventh clause under the section titled "Witnesseth" is hereby amended and restated in its entirety to read as follows:

"WHEREAS, immediately prior to Closing (as defined below), Seller will be the beneficial and legal owner of 3,498,563 E shares (the "E Shares"), 3,484,597 J shares (the "J Shares", and together with the E Shares, the "Company Shares"), E Bridge PECs with a face value of £10,218,574 (the "E Bridge PECs"), J Bridge PECs with a face value of £10,177,781 (the "J Bridge PECs", and together with the E Bridge PECs, (the "Company Bridge PECs")), E PECs with a face value of £96,729,661 (the "Company E PECs"), and J PECs with a face value of £96,343,515 (the "Company J PECs" and, together with the Company Shares, the Company E PECs and the Company Bridge PECs, the "Total Securities") of Janus Holdings Luxembourg

S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée) (the "Company") formed for the purpose of holding all of Seller's Holdings Securities (other than Bridge PECs of Holdings with a face value of £24,603,645 (the "Redeemed Bridge PECs"), which shall be redeemed on or before August 30, 2013 pursuant to the Redemption Agreement of Bridge PECs dated June 28, 2013 between Holdings and Seller (the "Bridge PEC Redemption"), and the 100 A Shares of Holdings retained by Seller, which will be sold to Purchaser in accordance with the terms herein), which Total Securities will represent all of the issued and outstanding equity and debt interests of the Company;"

2. The ninth clause under the section titled "Witnesseth" is hereby amended and restated in its entirety to read as follows:

"WHEREAS, the Total Securities will be issued immediately prior to Closing in exchange for the contribution and transfer by the Seller to the Company of 6,983,160 A Shares of Holdings, Bridge PECs of Holdings with a face value of £20,396,355 (and any accrued interest thereof) and A PECs of Holdings with a face value of £193,073,176 (and any accrued interest thereof);"

3. Purchase Price. The first sentence of Section 1.2 is hereby amended and restated in its entirety to read as follows:

"The aggregate purchase price (the "Purchase Price") for the Purchased Securities shall be £115,069,669, in respect of the E Bridge PECs, the Company E PECs and the E Shares, and £40 in respect of the Holdings A Shares."

4. Closing. Section 1.3 is hereby amended and restated in its entirety to read as follows:

"Upon the terms and subject to the conditions set forth herein, the purchase and sale of the Purchased Securities (the "Closing") shall occur on the second day other than a Saturday, Sunday or other day on which commercial banks in Luxembourg or the City of London are authorized or required to close (each such day, a "Business Day") following the satisfaction or waiver of the conditions in Section 2 (other than conditions to be satisfied at the Closing), and shall take place remotely via the exchange of documents and signatures, or at such other date, time and place as may be agreed by Seller and Purchaser orally or in writing (which date, time and place are referred to as the "Closing Date")."

5. Payment of Expenses.

(a) Section 4.3(a) is hereby amended and restated in its entirety to read as follows:

"Within 30 days of Closing, Purchaser and Seller shall calculate and agree upon all documented out-of-pocket expenses (including advisor costs but excluding payments pursuant to Section 1.5 or 1.6 and any filing fees or other payments to any Governmental Authority (other than United Kingdom stamp duty to the extent incurred) in connection with the transactions contemplated by this Agreement) incurred by Seller and Purchaser, their respective affiliates, in connection with the Acquisition and the transactions contemplated by this Agreement (the "Total

Costs"). For the avoidance of doubt, with respect to fees allocated pursuant to the Investment Agreement to the parties thereto, Total Costs shall only include amounts allocable to Investors (as defined in the Investment Agreement) pursuant to Section 14.1 of the Investment Agreement. Following the determination of the Total Costs, each of Seller and Purchaser shall be responsible for, and shall promptly following invoice thereof cause to be paid or reimbursed to the relevant parties, (i) in the case of Seller, 49.9% of the Total Costs and (ii) in the case of Purchaser, 50.1% of the Total Costs."

(b) Section 4.3 is hereby amended to include a new Section 4.3(d) as follows:

"(d) Within 30 days of the Closing Date, (i) Purchaser shall contribute £50,100 to the Company and (ii) Seller shall contribute £49,900 to the Company (of which £12,500 was previously contributed), in each case to be allocated to the share premium account of the Company."

6. Option to Purchase Redeemed Bridge PECs. Section 4 is hereby amended to include a new Section 4.8 as follows:

"4.8 Option to Purchase Redeemed Bridge PECs. In the event that the Bridge PEC Redemption does not occur on or prior to August 30, 2013, Purchaser shall have the option to purchase 50.1% of the Redeemed Bridge PECs at a purchase price equal to 50.1% of the face value, plus the accrued yield (through the date of purchase) of the Redeemed Bridge PECs. Purchaser shall have until September 30, 2013 to exercise its option by delivering written notice to Seller (the "Election Notice") of its election to purchase 50.1% of the Redeemed Bridge PECs. Purchaser and Seller agree to use their commercially reasonable efforts to consummate the sale of 50.1% of the Redeemed Bridge PECs as promptly as practicable following the delivery of the Election Notice."

7. Headings. The headings of the Sections herein are inserted for convenience of reference only and are not intended to be a part of or affect the meaning or interpretation of this Amendment.

8. Severability. If any term or provision of this Amendment is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Amendment or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Amendment so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

9. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York, as such laws are applied to contracts entered into and performed in such State, without reference to principles of conflicts of laws.

10. Counterparts; Electronic Signatures. This Amendment may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall

constitute one and the same instrument. The parties agree that this Amendment shall be legally binding upon the electronic transmission, including by facsimile or email, by each party of a signed signature page to this Amendment to the other party.

11. Full Force and Effect; No Obligation for Other Amendments. Each of the parties hereto confirms that this Amendment is intended to be a part of, and will serve as a valid, written amendment to, the Purchase Agreement. Except as otherwise set forth in this Amendment, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Purchase Agreement, which are hereby ratified and affirmed in all respects and shall continue in full force and effect, and this Amendment will not operate as an extension or waiver by the parties to the Purchase Agreement of any other condition, covenant, obligation, right, power or privilege under the Purchase Agreement. This Amendment relates only to the specific matters covered herein, and shall not be considered to create a course of dealing or to otherwise obligate any party to the Purchase Agreement to execute similar amendments or grant any waivers under the same or similar circumstances in the future.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed on their respective behalf, by their respective officers thereunto duly authorized all as of the day and year first above written.

PURCHASER

ENCORE EUROPE HOLDINGS S.À R.L.

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Manager

SELLER

JCF III EUROPE S.À R.L.

By: /s/ Sally Rocka
Name: Sally Rocka
Title: Manager

Exhibit 10.24

INVESTORS AGREEMENT

among

JANUS HOLDINGS LUXEMBOURG S.À R.L.

and

THE INVESTORS NAMED HEREIN

dated as of

July 1, 2013

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.

TABLE OF CONTENTS

INVESTORS AGREEMENT

This Investors Agreement (this "**Agreement**"), dated as of July 1, 2013, is entered into among Janus Holdings Luxembourg S.À R.L., a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 47, avenue John F. Kennedy, L-1855 Luxembourg, not yet registered with the Luxembourg Trade and Companies Register (the "**Company**"), Encore Europe Holdings S.À R.L., a private limited company (société á responsabilité limitée) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 560A, rue de Neudorf, L-2220 Luxembourg, not yet registered with the Luxembourg Trade and Companies Register ("**Encore Europe**"), JCF III Europe S.À R.L., a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 47, avenue John F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 161027 and having a share capital of EUR 8,501,530 ("**JCF III**"), each other Person who after the date hereof acquires Company Securities and becomes a party to this Agreement by executing a Joinder Agreement (such Persons, collectively with the Initial Investors, the "**Investors**"), for the purposes of **Sections 3.03**, **5.01(b)**, **5.03** and **Article IX**, JCF III Europe Holdings LP, (registered in the Cayman Islands under number WK-48187) whose registered office is at 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands (the "**JCF Fund**") and for the purposes of **Sections 2.05, 5.01(b), 5.01(c), 5.03, 6.03** and **Article IX**, Encore Capital Group, Inc., a Delaware Corporation ("**Encore Parent**").

RECITALS

WHEREAS, JCF III is party to that certain Subscription Agreement, dated as of April 13, 2013 (as amended by way of an amendment agreement dated May 15, 2013) (the "**Subscription Agreement**"), by and among JCF III, Carat Manager Nominee Limited, and certain persons set forth in Schedule 1 and Schedule 2 thereto, pursuant to which JCF III agreed to, among other things, incorporate Cabot Holdings S.Á.R.L. ("**Holdings**") for the purpose of indirectly acquiring the entire issued and outstanding share capital of Cabot Credit Management Limited (the "**Target**");

WHEREAS, pursuant to the Subscription Agreement, on May 15, 2013, JCF III subscribed for 6,983,260 A Shares, Bridge PECs with a face value of £45,000,000 and A PECs with a face value of £193,073,176 of Holdings (as each such phrase is defined in the Subscription Agreement and, collectively, the "**Securities**") as contemplated therein, with such Securities representing a majority of the economic and voting interests in Holdings;

WHEREAS, pursuant to an Acquisition Agreement, dated as of April 13, 2013 (the "**Acquisition Agreement**"), by and among Calcium Holdings S.á.r.l., the Management Sellers (as defined therein), Cabot (Group Holdings) Limited (formerly Carat UK Bidco Limited), an indirect wholly owned Subsidiary of Holdings ("**Bidco**") and certain other individuals party thereto, Bidco agreed to purchase all of the issued and outstanding share capital of the Target (the "**Acquisition**");

WHEREAS, on or around the date of this Agreement, JCF III, Encore Europe, the Company, the Initial Managers (as defined therein) and Holdings (amongst others) have entered into an amended and restated investment agreement in the form attached hereto as Exhibit A (the "**Investment Agreement**"), pursuant to which the parties thereto agreed to regulate the position between the holders of Securities;

WHEREAS, pursuant to the Acquisition Agreement, on May 15, 2013, Bidco purchased all of the issued share capital of Target;

WHEREAS, the Company Securities will be issued immediately prior the closing of the Securities Purchase Agreement (as defined below), in exchange for the contribution and transfer by JCF III to the Company of all of JCF III's Securities, with the exception of 100 A Shares of Holdings retained by JCF III;

WHEREAS, pursuant that certain Securities Purchase Agreement, dated as of May 29, 2013, by and between the Encore Parent and JCF III (the "**Securities Purchase Agreement**"), Encore Europe purchased from JCF III 50.1% of all of the issued and outstanding Company Securities and 100 A Shares of Holdings;

WHEREAS, as of the date hereof, the Encore Investor owns 50.1% of the Company Securities (including all the issued and outstanding E Shares and E PECs) and the JCF Investor owns 49.9% of the Company Securities (including all of the J Shares and J PECs); and

WHEREAS, the Initial Investors and the other parties hereto deem it in their best interests and in the best interests of the Company to set forth in this Agreement their respective rights and obligations in connection with their investment in the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in this Article I.

"**Affiliate**" means with respect to any Person, any other Person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such Person; *provided* that no Investor shall be deemed to be an Affiliate

of any other Investor or any of its Subsidiaries solely by reason of any investment in the Company; *provided, further*, that notwithstanding the foregoing, with respect to the JCF Investor, its Affiliates shall not include any of its or its Affiliates' "portfolio company" (as such term is customarily used among institutional investors). For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms "controlling" and "controlled" shall have correlative meanings.

"**Applicable Law**" means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority, (b) any consents or approvals of any Governmental Authority and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority.

"**Articles**" means the consolidated articles of association of the Company as of June 20, 2013 and as amended, modified, supplemented or restated from time to time in accordance with the terms of this Agreement.

"**Board(s)**" means, individually and collectively, the Company Board, the Holdings Board, the Bidco Board and any other Board of any of the Company's Subsidiaries.

"**Bridge PEC Conversion Provisions**" means the provisions of **Section 3.11** of this Agreement and the Bridge PEC Instrument requiring conversion of the Bridge PECs into E Shares, J Shares, E PECs and J PECs.

"**Bridge PECs**" means the E Bridge PECs and the J Bridge PECs.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in Luxembourg or the City of London are authorized or required to close.

"**Change of Control**" means any transaction or series of related transactions (as a result of a tender offer, merger, consolidation or otherwise) that results in, or that is in connection with, (a) a merger, arrangement, scheme, consolidation or similar transaction involving the Company, in any case, that results in more than 50% of the Company Securities (or the voting securities of any resulting company after the merger) being held by Persons (or a "group" (within the meaning of Section 13(d)(3) of the Exchange Act)) other than the Initial Investors or any of their respective Affiliates, (b) any Third Party Purchaser or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) of Third Party Purchasers acquiring beneficial ownership, directly or indirectly, of a majority of the then issued and outstanding Company Securities or (c) the sale, lease, exchange, conveyance, transfer or other disposition (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Company and its Subsidiaries (if any), on a consolidated basis, to any Third Party Purchaser or "group" (within

the meaning of Section 13(d)(3) of the Exchange Act) of Third Party Purchasers (including any liquidation, dissolution or winding up of the affairs of the Company, or any other distribution made, in connection therewith).

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Common Stock**" means the E Shares and the J Shares and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or similar reorganization.

"**Company**" has the meaning set forth in the preamble. As of the date hereof, the Company constitutes the "Investor Majority" as defined in the Investment Agreement.

"**Company Securities**" means the Common Stock and PECs.

"**Competitor**" means a business or entity which is primarily engaged in the Target Business in the Territory.

"**Competitor Portfolio**" means a debt portfolio primarily consisting of non-performing or semi-performing consumer credit loans, in which greater than 20% of the debtors are located in the Territory.

"**Corporate Opportunity**" means an investment or business opportunity or prospective economic advantage in which the Company may, subject to the provisions of **Section 5.03(b)**, have an interest or expectancy.

"**Directors(s)**" means, individually and collectively, the Company Directors, the Holdings Directors, the Bidco Directors and any other directors of any of the Company's Subsidiaries.

"**E Shares**" means the E Shares, split into differing series referred to in and having the rights attaching to them in the Articles.

"**Encore Investor**" means, collectively, the Initial Encore Investor and any Permitted Transferee thereof.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

"**Excluded Securities**" means any Common Stock or other equity securities issued in connection with: (a) any acquisition by the Company of the stock, assets, properties or business of any Person; (b) any merger, consolidation or other business combination involving the Company; (c) the commencement of any Initial Public Offering or any transaction or series of related transactions involving a Change of Control; or (d) a stock split, stock dividend or any

similar recapitalization to the extent such securities are issued on a proportionate basis to all holders of the class of affected securities; *provided that*, in each case described in clauses (a) through (d), the transaction referred to therein and the issuance of Common Stock or other equity securities in connection therewith was approved in accordance with the terms of this Agreement and was subject to, and received, approval by, the JCF Investor pursuant to **Section 2.03**.

"**Fiscal Year**" means for financial accounting purposes, January 1 to December 31.

"**Fourth Anniversary**" means July 1, 2017.

"**GAAP**" means generally accepted accounting practices in the United Kingdom in effect from time to time.

"**Government Approval**" means any authorization, consent, approval, waiver, exception, variance, order, exemption, publication, filing, declaration, concession, grant, franchise, agreement, permission, permit, or license of, from or with any Governmental Authority, the giving notice to, or registration with, any Governmental Authority or any other action in respect of any Governmental Authority.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Initial Encore Investor**" means Encore Europe or, in the event Encore Europe transfers all of its Company Securities to a Permitted Transferee, such Permitted Transferee

"**Initial Investors**" means, collectively, the Initial Encore Investor and the Initial JCF Investor.

"**Initial JCF Investor**" means JCF III or, in the event JCF III transfers all of its Company Securities to a Permitted Transferee, such Permitted Transferee

"**Initial Public Offering**" means any offering whereby securities of the Company (or shares of common stock of any Subsidiary of the Company) becomes listed or admitted to trading on any national or internationally recognized investment exchange set forth on Schedule 1 or any other exchange reasonably acceptable to the JCF Investor and the Encore Investor.

"**J Shares**" means the J Shares, split into differing series referred to in and having the rights attaching to them in the Articles.

"**JCF Investor**" means, collectively, the Initial JCF Investor and all Permitted Transferees thereof.

"**JCF Investor Approval**" means with respect to any matter that must be approved by a Company Board or the Bidco Board, the approval or consent of the JCF Investor.

"**Joinder Agreement**" means the joinder agreement in form and substance of Exhibit B attached hereto.

"**Lien**" means any lien, claim, charge, mortgage, pledge, security interest, option, preferential arrangement, right of first offer, encumbrance or other restriction or limitation of any nature whatsoever.

"**Organizational Documents**" means the Articles.

"**PECs**" means the E Bridge preferred equity certificates, the J Bridge preferred equity certificates, E preferred equity certificates and J preferred equity certificates constituted by the PEC Instruments and issued by the Company and references to "**E Bridge PECs**", "**J Bridge PECs**", "**E PECs**" and "**J PECs**" shall be construed accordingly;

"**PEC Instruments**" means the preferred equity certificate instruments constituting the PECs entered into by the Company on date of this Agreement, and references to "**E Bridge PEC Instrument**",, **"J Bridge PEC Instrument**", "**E PEC Instrument**" and "**J PEC Instrument**" shall be construed accordingly;

"**Permitted Transferee**" means with respect to any Investor, any Affiliate of such Investor.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants, lenders and other agents of such Person.

"**Securities Act**" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

"**Sixth Anniversary**" means July 1, 2019.

"**Subsidiary**" means with respect to any Person, any other Person of which a majority of the outstanding shares or other equity interests having the power to vote for directors or comparable managers are owned, directly or indirectly, by the first Person.

"**Target Business**" means the purchasing of non-performing and semi-performing consumer debt.

"**Territory**" means the United Kingdom and the Republic of Ireland.

"**Third Party Purchaser**" means any Person who, immediately prior to the contemplated transaction, (a) does not directly or indirectly own or have the right to acquire any outstanding Company Securities or (b) is not a Permitted Transferee of any Person who directly or indirectly owns or has the right to acquire any Company Securities.

"**Transfer**" means to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any equity interest owned by a Person or any interest (including a beneficial interest) in any equity interest owned by a Person.

Other Terms. The following terms, as used in this Agreement, have the respective meanings set forth in the following Sections of this Agreement:

Term	Section
Acquisition	Recitals
Acquisition Agreement	Recitals
Agreement	Preamble
Ancillary Proceedings	9.12(a)
Arbitration Information	9.12(b)
Bidco	Recitals
Bidco Board	2.01(b)
Bidco Director	2.01(b)
Company Board	2.01(a)
Company Director	2.01(a)
Company Realisation	3.13
Default Exercise Notice	3.03(b)
[***]	3.03(a)
[***]	3.03(a)
Disclosing Party	9.12(c)
[***]	3.05(a)
[***]	3.05(a)
[***]	3.05(a)
Encore Bidco Director	2.01(b)
Encore Change of Control	3.09
Encore Entity Director	2.01(a)
Encore IPO ROFR	3.06

[***] 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.

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Pre-emptive Pro Rata Portion	4.01(c)
Redemption Period	3.11(a)
Restricted Opportunity	5.03(a)
[***]	3.05(d)
[***]	3.05(b)
Sale Process	3.04(a)
Securities	Recitals
Securities Purchase Agreement	Recitals
Subscription Agreement	Recitals
Target	Recitals
Target Acquisition	5.01(a)
Tax Matters Partner	2.08(b)
Tax Proceeding	2.08(b)
Triggering Party	3.04(a)
[***]	3.05(e)

Terms used in the Investment Agreement. The following terms, as used in this Agreement, have the respective meanings set forth in the Investment Agreement:

(a) **C Shareholders**

(b) **Deemed Realisation**

(c) **Minority Shareholders**

(d) **Ratchet Provisions**

(e) **Realisation**

(f) **Relevant Investorco Transfer**

ARTICLE II
MANAGEMENT AND OPERATION OF THE COMPANY; CAPITALIZATION

Section 2.01 Boards.

(a) **The Company and Holdings.**

(i) The Investors agree that the business and affairs of each of the Company and Holdings shall each be managed through their respective Boards (the board of the Company, the "**Company Board**", and the board of Holdings, the "**Holdings Board**" and, each of the Company Board and the Holdings Board, an "**Entity Board**"), whose composition for each of the Company and Holdings shall consist of five members (each director of the Company, a "**Company Director**", each director of Holdings, a "**Holdings Director**" and, each Company

Director and Holdings Director, an "**Entity Director**"). The Entity Directors shall be elected to each of the respective Entity Boards in accordance with the following procedures:

(A) The Encore Investor shall have the right to designate one Director, who shall initially be Greg Call (the "**Encore Entity Director**");

(B) The JCF Investor shall have the right to designate one Director, who shall initially be Todd Freebern (the "**JCF Entity Director**")

(C) The Encore Investor shall have to designate three residents of Luxembourg as Directors, who shall initially be Jens Hoellermann, Simon Barnes, and Ian Kent (the "**Luxembourg Directors**"); and

The Encore Investor shall have the right to designate one of the Encore Entity Director or the Luxembourg Directors as Chairman of the Entity Board, subject to the JCF Investor's approval.

(ii) Each Investor shall vote all shares of Common Stock over which such Investor has voting control, and shall cause the Company to vote the voting securities of Holdings over which the Company has control, and shall take all other necessary or desirable actions within such Investor's control and shall use its best efforts to cause its Board designees to take all action within their control (including, in each case, in its, his or her capacity as equityholder, director, member of a Board committee or officer of the Company, Holdings or otherwise, and whether at a regular or special meeting of the Investors or by written consent in lieu of a meeting) to elect to an Entity Board any individual designated by an Initial Investor pursuant to **Section 2.01(a)**(i).

(iii) Each Initial Investor shall have the right at any time to remove (with or without cause) any Entity Director designated by such Initial Investor for election to an Entity Board and each other Investor shall vote all shares of Common Stock over which such Investor has voting control and shall take all other necessary or desirable actions within such Investor's control and shall use its best efforts to cause its Board designees to take all action within their control (including, in each case, in its, his or her capacity as equityholder, director, member of a Board committee or officer of the Company, Holdings or otherwise, and whether at a regular or special meeting of the Investors or by written consent in lieu of a meeting) to remove from an Entity Board any individual designated by such Initial Investor that such Initial Investor desires to remove pursuant to this **Section 2.01**. Except as provided in the preceding sentence, unless an Initial Investor shall otherwise consent in writing, no other Investor shall take any action to cause the removal of any Entity Directors designated by an Initial Investor.

(iv) In the event a vacancy is created on an Entity Board at any time and for any reason (whether as a result of death, disability, retirement, resignation or removal pursuant to **Section 2.01(a)(iii)**), the Initial Investor who designated such individual shall have the right to

designate a different individual to replace such Entity Director and each other Investor shall vote all shares of Common Stock over which such Investor has voting control and shall take all other necessary or desirable actions within such Investor's control and shall use best efforts to cause its Board designees to take all actions within their control (including in its, his or her capacity as equityholder, director, member of a Board committee or officer of the Company, Holdings or otherwise, and whether at a regular or special meeting of the Investors or by written consent in lieu of a meeting, and including any actions to call a special meeting to fill any such vacancy as soon as practicable) to elect to an Entity Board any individual designated by such Initial Investor.

(v) Each Entity Board shall have the right to establish any committee of Entity Directors as such Entity Board shall deem appropriate from time to time. Subject to this Agreement, the Organizational Documents and Applicable Law, committees of the Entity Boards shall have the rights, powers and privileges granted to such committee by such Entity Board from time to time, *provided, however*, that any action requiring approval of a particular number of Entity Board members or investors of the Company or Holdco, as the case may be, shall not be taken by such committee without such consent. Subject to the foregoing, any delegation of authority to a committee of Entity Directors to take any action must be approved in the same manner as would be required for such Entity Board to approve such action directly. Any committee of Entity Directors shall be composed of the same proportion of Encore Entity Directors (including, for purposes of calculating such proportion, the number of Luxembourg Directors Encore is entitled to appoint to such Entity Board) and JCF Entity Directors as the Initial Investors shall then be entitled to appoint to such Entity Board pursuant to this **Section 2.01**; *provided,* that for so long as the JCF Investor has the right to designate an Entity Director to an Entity Board, any committee composed of Entity Directors shall consist of at least one JCF Entity Director (and the Investors shall take all actions within their control, and shall use best efforts to cause their Board designees to take all actions within their control, in each case, in their capacity as equityholder, director, member of a Board committee or officer of the Company, Holdings or otherwise, and whether at a regular or special meeting of the Investors or by written consent in lieu of a meeting, and including any actions to call a special meeting to fill any vacancy as soon as practicable, in order to ensure such committee composition referred to in this proviso is maintained at all times).

(b) **Bidco.**

(i) The Investors agree that the business and affairs of Bidco shall be managed through a Board (the "**Bidco Board**") consisting of 10 members (each, a "**Bidco Director**"). The Bidco Directors shall be elected to the Bidco Board in accordance with the following procedures:

(A) The CEO of Target shall be appointed as a Bidco Director at all times in accordance with the Investment Agreement.

(B) The Encore Investor shall have the right to designate five Bidco Directors (the "**Encore Bidco Directors**"), who shall consist of:

1. The CEO of the Encore Investor; and

2. 4 other Encore Bidco Directors designated by the Encore Investor, who shall initially be Steve Mound, Chris Ross-Roberts, Paul Grinberg and Will Mesdag.

(C) The JCF Investor shall have the right to designate two Bidco Directors, who shall initially be Tim Hanford and John Oros (the "**JCF Bidco Directors**").

(D) The Encore Investor shall have the right to designate one additional Bidco Director who shall be Chairman of the Bidco Board, subject to the JCF Investor's approval, who shall initially be George Lund.

(E) The Investors shall together designate one independent Bidco Director. This seat shall initially be empty and the Investors will use their commercially reasonable efforts to designate the independent Bidco Director as soon as possible after the date of this Agreement.

(F) Glen Crawford shall be a non-voting observer to be present at all meetings of the Bidco Board (such non-voting observer to be notified of any meetings of the Bidco Board in the same manner as the other Bidco Directors), whose continuing rights as a non-voting observer shall be determined by the Bidco Board.

(ii) Each Investor shall vote all shares of Common Stock over which such Investor has voting control and shall take all other necessary or desirable actions within such Investor's control (including in its capacity as equityholder, director, member of a Board committee or officer of Bidco or otherwise, and whether at a regular or special meeting of the Investors or by written consent in lieu of a meeting) to elect to the Bidco Board each individual designated by an Initial Investor pursuant to **Section 2.01(b)(i)**.

(iii) Each Initial Investor shall have the right at any time to remove (with or without cause) any Bidco Director designated by such Initial Investor for election to the Bidco Board (other than with respect to the Chairman, whose removal is subject to the consent of the JCF Investor) and each other Investor shall vote all shares of Common Stock over which such Investor has voting control and shall take all other necessary or desirable actions within such Investor's control and shall use best efforts to cause its Board designees to take all actions within

their control (including, in each case, in its, his or her capacity as equityholder, director, member of a Board committee or officer of Bidco or otherwise, and whether at a regular or special meeting of the Investors or by written consent in lieu of a meeting) to remove from the Bidco Board any individual designated by such Initial Investor that such Initial Investor desires to remove pursuant to this **Section 2.01**. Except as provided in the preceding sentence, unless an Initial Investor shall otherwise consent in writing, no other Investor shall take any action to cause the removal of any Bidco Directors designated by an Initial Investor.

(iv) In the event a vacancy is created on the Bidco Board at any time and for any reason (whether as a result of death, disability, retirement, resignation or removal pursuant to **Section 2.01(b)(iii)**), the Initial Investor who designated such individual shall have the right to designate a different individual to replace such Bidco Director and each other Investor shall vote all shares of Common Stock over which such Investor has voting control and shall take all other necessary or desirable actions within such Investor's control and shall use best efforts to cause its Board designees to take such actions within their control (including, in each case, in its, his or her capacity as equityholder, director, member of a Board committee or officer of Bidco or otherwise, and whether at a regular or special meeting of the Investors or by written consent in lieu of a meeting, and including any actions to call a special meeting to fill any such vacancy as soon as practicable) to elect to the Bidco Board any individual designated by such Initial Investor.

(v) The Bidco Board shall have the right to establish any committee of Bidco Directors as the Bidco Board shall deem appropriate from time to time. Subject to this Agreement, the Organizational Documents and Applicable Law, committees of the Bidco Board shall have the rights, powers and privileges granted to such committee by the Bidco Board from time to time, *provided, however*, that any action requiring approval of a particular number of Entity Board members or investors of the Company or Holdco, as the case may be, shall not be taken by such committee without such consent. Subject to the foregoing, any delegation of authority to a committee of Bidco Directors to take any action must be approved in the same manner as would be required for the Bidco Board to approve such action directly. Any committee of Bidco Directors shall be composed of the same proportion of Encore Bidco Directors and JCF Bidco Directors as the Initial Investors shall then be entitled to appoint to the Bidco Board pursuant to this **Section 2.01**; *provided,* that for so long as the JCF Investor has the right to designate a Bidco Director to the Bidco Board, any committee composed of Bidco Directors shall consist of at least one JCF Bidco Director, including the Audit Committee and the Remuneration and Nomination Committee of Bidco (and the Investors shall take all actions within their control, and shall use best efforts to cause their Board designees to take all actions within their control, in each case, in their capacity as equityholder, director, member of a Board committee or officer of Bidco or otherwise, and whether at a regular or special meeting or by written consent in lieu of a meeting, and including any actions to call a special meeting to fill any

vacancy as soon as practicable, in order to ensure such committee composition referred to in this proviso is maintained at all times). The provisions of this Section 2.01(b)(v) are subject to the provisions of the Investment Agreement relating to the Audit Committee and Remuneration and Nomination Committee (as each such phrase is defined in the Investment Agreement) and, in the event of any inconsistency or conflict between the provisions of this Section 2.01(b)(v) and the Investment Agreement, the provisions of the Investment Agreement shall prevail.

(c) **Organizational Documents**. Each Investor shall vote all shares of Common Stock over which such Investor has voting control and shall take all other necessary or desirable actions within such Investor's control (including in its capacity as equityholder, director, member of a Board committee or officer of any Subsidiary of the Company or otherwise, and whether at a regular or special meeting of the Investors or by written consent in lieu of a meeting) to amend or modify the Organizational Documents of the Company, or any of its Subsidiaries, in order to effect the provisions of this Article II.

Section 2.02 Meetings of the Board(s).

(a) The Bidco Board will meet no less than six times a year at such times and in such places as the Bidco Board shall designate from time to time. In addition to the regular meetings contemplated by the foregoing sentence, special meetings of the Bidco Board may be called by the Chairman or any Initial Investor on no less than five Business Days' prior written notice of the time, place and agenda of the meeting. The business to be conducted at a special meeting shall be limited to the matters specified in the notice thereof. The Company Board and the Holdings Board will meet from time to time as determined by their respective Boards, on the same terms as set forth in this **Section 2.02** for the Bidco Board. Notice of a special meeting may be waived in writing by any director.

(b) The Bidco Directors may participate in any meeting of the Bidco Board by means of video conference, teleconference or other similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute such Bidco Director's presence in person at the meeting.

(c) The presence of a majority of Bidco Directors then in office shall constitute a quorum of the Bidco Board; *provided,* that the Chairman and at least one JCF Bidco Director is present at such meeting. If a quorum is not achieved at any duly called meeting, such meeting may be postponed to a time no earlier than 48 hours after written notice of such postponement has been given to the Directors. If no JCF Bidco Director is present for three consecutive meetings, then the presence, in person or by proxy, of a majority of Bidco Directors, including the Independent Director, shall constitute a quorum for the next meeting. The presence of a majority of Entity Directors then in office shall constitute a quorum of an Entity Board; *provided,* that at least one Luxembourg Director, the JCF Entity Director and the Encore Entity

Director is present at such meeting. If a quorum is not achieved at any duly called meeting, such meeting may be postponed to a time no earlier than 48 hours after written notice of such postponement has been given to the Directors. If no JCF Entity Director or Encore Entity Director is present for three consecutive meetings, then the presence, in person or by proxy, of a majority of Entity Directors, shall constitute a quorum for the next meeting.

(d) Unless otherwise restricted by this Agreement, any action required or permitted to be taken at any meeting of the Bidco Board or of any committee thereof may be taken without a meeting if all directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Bidco Board or committee.

(e) The Company shall pay, or cause its applicable Subsidiary to pay, all expenses (including travel and related expenses) incurred by each of its directors in connection with: (i) attending the meetings of its board and all committees thereof and (ii) conducting any other business requested by the Company or such Subsidiary, as the case may be. Unless otherwise agreed upon in writing by the Investors, the Company shall only pay a reasonable board fee to the Independent Director for his or her service on the Bidco Board, with such fee to be determined by the Bidco Board.

Section 2.03 Consent Rights.

(a) In addition to any vote or consent of the Board of the Company or any of its Subsidiaries, as the case may be, or the Investors of the Company or any such Subsidiary required by Applicable Law, without JCF Investor Approval the Company and its Subsidiaries shall not, and shall not enter into any commitment to:

(i) so long as the JCF Investor continues to hold a voting interest of at least 13.28% of the outstanding Company Securities:

(A) alter any of the terms, designations, powers, preferences or other rights of the holders of the shares of the Company or its Subsidiaries;

(B) pay any dividends or other distributions on a non-pro rata basis by the Company or Holdings;

(C) create, issue or sell any class of shares of the Company or any of its Subsidiaries (except for securities issued in exchange for E Bridge PECs or J Bridge PECs pursuant to **Section 3.11**);

(D) issue any security or convertible instruments of any Subsidiary of the Company other than to the Company;

(E) amend any of the Company's or Holdings' Articles or other governing documents of the Company or its Subsidiaries (including the Investment Agreement);

(F) enter into any related party transactions involving the Company or any of its Subsidiaries (including (i) any arrangements regarding allocation of profit or loss among affiliated companies and (ii) any agreement between the Company and any Subsidiary, on the one hand, and any Investor or any of its Affiliates, on the other hand); or approve any transfer pricing in excess of £100,000 in any one instance or £500,000 in any one Fiscal Year; or

(G) dispose of any equity securities of Holdings or any of its Subsidiaries; or exercise any of the Company's rights pursuant to the Investment Agreement in respect of a Realisation or Flotation or any of its Drag-Along rights pursuant to paragraph 5 of Schedule 4 of the Investment Agreement (such terms not defined herein as defined in the Investment Agreement).

(ii) so long as the JCF Investor continues to hold a voting interest of at least 26.56% of the outstanding Company Securities:

(A) amend the size of the Company Board or the Board of any of its Subsidiaries;

(B) redeem or repay any shares of any class of the Company or any of its Subsidiaries (except as required by the terms of the Investment Agreement);

(C) appoint or remove the CFO of Target;

(D) remove any of the directors appointed by JCF Investor at the Company or any of its Subsidiaries;

(E) dissolve, wind-up or liquidate the Company or any material Subsidiary of the Company or initiate a bankruptcy proceeding involving the Company or any material Subsidiary of the Company;

(F) make or approve any material change or substantial deviations of the activities of the Company and its Subsidiaries to the extent such activities constitute activities other than the conduct of the Target Business in the Territory;

(G) merge the Company or any of its Subsidiaries with a third party, sell the assets of the Company or any of its Subsidiaries to a third party, initiate or consummate an Initial Public Offering of the Company or any of its Subsidiaries or make a public offering and sale of Company Securities or any other securities, or consummate any transaction that would result in a Change of Control of the Company; or

(H) (i) on behalf of Holdings or any other Subsidiary, approve any amendment of any provisions of the Subscription Agreement, the Acquisition Agreement, the Investment Agreement or any other Transaction Documents (as defined in the Investment Agreement and the Acquisition Agreement); or (ii) in its capacity as an Investor under the Investment Agreement, approve any of the actions set forth in item 10, 15, 17, 25 or 27 of Schedule 3 of the Investment Agreement.

(b) Unless otherwise required through the participation in the Bidco Board or any committee of the Bidco Board, the Company Board will be consulted and approval of the Company Board will be required to approve (i) all decisions requiring consent pursuant to Clause 10.1 and Schedule 3 of the Investment Agreement and (ii) all decisions requiring JCF Investor Consent pursuant to this Agreement.

(c) The JCF Investor shall have the right to have a representative present at any investment committee and/or pricing committee meeting of Holdings or any of its Subsidiaries relating to the purchase of any individual portfolio of semi-performing or non-performing consumer debt with a purchase price in excess of £10 million.

(d) Except for the matters set forth in **Section 2.03(a)**, which shall also require approval in accordance with such Section, any decision requiring the vote or consent of the Board of the Company shall require the approval of, at a minimum, the consent of the Encore Entity Director and at least one Luxembourg Director.

Section 2.04 Subsidiaries. To the extent that the Board of any Subsidiary of the Company fails to enforce any of the JCF Investor's rights set forth in this Article II, the JCF Investor shall have the right to require that the Boards of such Subsidiaries of the Company be comprised of the same composition as the Bidco Board.

Section 2.05 Separate Management. Subject to the oversight of the Bidco Board, and subject to any agreements that may be entered into between Bidco or any of its Subsidiaries and Encore Parent or any of its other Subsidiaries in accordance with the provisions of this

Agreement, management of the Company and Bidco and their Subsidiaries shall manage and operate the business of the Company and Bidco and their Subsidiaries (including the Target) separately from Encore Parent and its other Subsidiaries. Furthermore, from the closing of the Securities Purchase Agreement, the Encore Investor shall ensure that the Company does not become a restricted subsidiary under any credit facility or agreement of the Encore Parent or any of its Subsidiaries. Without limiting the foregoing, and in furtherance thereof, from the closing of the Securities Purchase Agreement, each Investor shall not, and shall cause its Affiliates not to enter into, enter into any written agreement, arrangement or contract, without the approval of (x) the Bidco Board in the case of an agreement, arrangement or contract entered into by the Encore Investor or its Affiliates or (y) the Encore Investor in the case of a contract, agreement or arrangement entered into by the JCF Investor or its Affiliates, that in either clause (x) or (y), will (i) prohibit or materially restrict the ability of the Company or any of its Subsidiaries to conduct business in the European Union or compete with any third party in the European Union, (ii) require (A) the referral by the Company or any of its Subsidiaries of any business or (B) the Company or any of its Subsidiaries to make available investment or business opportunities or products or services on a priority, equal or exclusive basis, or (iii) affirmatively obligates the Company or any of its Subsidiaries in any material respect. Without limiting the foregoing, each Investor agrees to use commercially reasonable efforts to inform the Company prior to entering into any written agreement, arrangement or contract that will affirmatively obligate the Company or any of its Subsidiaries in any respect, whether or not material, and to reasonably cooperate with the management of the Company to address any concerns the Company may have in connection with such.

Section 2.06 Rights of Company Securities. The Company will treat the holders of the E Shares and J Shares on a *pari passu* basis with regards to all payments of dividend and/or redemption monies and/or by way of return of capital or assets in respect thereof *pro rata* to the number of E Shares and J Shares held by the holders thereof respectively without discrimination, save as expressly provided herein (including the Ratchet Provisions) and in the Company's Articles.

Section 2.07 Investment Agreement. The Company undertakes to comply with, and the Investors undertake to procure (to the extent that they are able) that the Company complies with, the Company's obligations under the Investment Agreement.

Section 2.08 Tax Matters.

(a) The Company shall not incur any income that is effectively connected with the conduct of a trade or business in the United States for purposes of any provision of the Code.

(b) The Initial Encore Investor shall be designated on the Company's annual Federal information tax return and shall have full power and responsibility as the "tax matters partner" of the Company for purposes of Section 6231(a)(7) of the Code (the "**Tax Matters Partner**").

(i) Notwithstanding **Section 2.08(b)**, the JCF Investor shall be a "notice partner" (within the meaning of Section 6231(a)(8) of the Code), and the Tax Matters Partner shall furnish to the Internal Revenue Service such information as is necessary for any such JCF Investor to be a notice partner.

(ii) Within fifteen (15) Business Days after the receipt thereof, the Tax Matters Partner shall provide the JCF Investor with copies of all notices, reports, demands, or other written communications received by the Company or any of its Subsidiaries or the Tax Matters Partner from, or sent by the Company or any of its Subsidiaries or the Tax Matters Partner to, any Governmental Authority in connection with any material audit, examination, or judicial or administrative proceeding with respect to taxes imposed by any jurisdiction (any such material audit, examination, or judicial or administrative proceeding, a "**Tax Proceeding**"). The Tax Matters Partner shall keep the JCF Investor informed, on a timely basis, the material aspects of any Tax Proceeding and, in addition, shall consult with the JCF Investor regarding the material aspects of any Tax Proceeding, and shall not settle any such Tax Proceeding without the prior written consent of the JCF Investor (such consent not to be unreasonably withheld).

(iii) Notwithstanding anything to the contrary in this Section 2.8, the Tax Matters Partner shall not make any decision or determination or take any action (including making or revoking any material tax election of the Company or any of its Subsidiaries, filing any tax return or amendment thereto of the Company or any of its Subsidiaries, finalizing any Schedule K-1 for any JCF Investor, making any decisions to be made by the Tax Matters Partner, including settling or compromising any tax liability of the Company, and making decisions relating to allocations for tax purposes that are not specifically provided for in this Agreement) without the consent of the JCF Investor, except to the extent required by applicable law.

(c) The Company shall not make any election to be treated as a corporation for U.S. federal income tax purposes without the consent of the JCF Investor.

(d) Upon the request of the JCF Investor, the Company (and shall cause any applicable Subsidiary to) make an election under Section 754 of the Code.

ARTICLE III
TRANSFER OF INTERESTS

Section 3.01 General Restrictions on Transfer.

(a) Except as permitted pursuant to **Section 3.01(b)** or in accordance with the procedures described in **Section 3.02**, **Section 3.03, Section 3.04, Section 3.05** or **Section 3.06**, each Investor agrees that such Investor will not, directly or indirectly, voluntarily or involuntarily Transfer any of its Company Securities.

(b) The provisions of **Section 3.01(a)**, **Section 3.02**, **Section 3.03, Section 3.04, Section 3.05** or **Section 3.06** shall not apply to any of the following Transfers by any Investor of any of its Company Securities:

(i) to a Permitted Transferee; or

(ii) pursuant to a merger, consolidation or other business combination of the Company with a Third Party Purchaser that has been approved in compliance with **Section 2.03(a)(ii)(G)**.

(c) The Company shall make appropriate notation on its books, and any certificate representing the Securities of the Company shall bear, a legend substantially in the following form:

"THE SECURITIES TO WHICH REFERENCE IS MADE IN THIS CERTIFICATE ARE SUBJECT TO AN INVESTORS AGREEMENT (A COPY OF WHICH IS HELD AT THE REGISTERED OFFICE OF THE COMPANY). NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH INVESTORS AGREEMENT AND PURSUANT TO APPLICABLE LAW. THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF SUCH INVESTORS AGREEMENT."

(d) Prior notice shall be given to the Company by the transferor of any Transfer (whether or not to a Permitted Transferee) of any Company Securities. Prior to consummation of any Transfer by any Investor of any of its Company Securities (other than any Transfers pursuant to **Section 3.02**, **Section 3.03, Section 3.04, Section 3.05** or **Section 3.06**), such party shall cause the transferee thereof to execute and deliver to the Company a Joinder Agreement and agree to be bound by the terms and conditions of this Agreement. Upon any Transfer by any Investor of any of its Company Securities, in accordance with the terms of this Agreement, the transferee thereof shall be substituted for, and shall assume all the rights and obligations under this Agreement of, the transferor thereof.

(e) Any Transfer or attempted Transfer of any Company Securities in violation of this Agreement shall be null and void, no such Transfer shall be recorded on the Company's books and the purported transferee in any such Transfer shall not be treated (and the purported transferor shall continue to be treated) as the owner of such Company Securities for all purposes of this Agreement.

Section 3.02 [***]

(a) [***].

(i) [***]

(ii) [***]

(iii) [***] If the Encore Investor elects to pay a portion of the total consideration with shares of common stock of the Encore Parent, the per share price shall be valued based on the lower of (A) the per share price, rounded to two decimal points, of shares of the Encore Parent on the NASDAQ Stock Market (as reported on Bloomberg) for the last full trading day prior to the closing of the sale and (B) the average per share price, rounded to two decimal points, of shares of the Encore Parent on the NASDAQ Stock Market (as reported on Bloomberg) for the period of the 20 consecutive trading days ending on the penultimate full trading day prior to the closing of the sale, in each case *less* a discount of 5% to reflect customary private placement discounts. In addition, the JCF Investor shall receive customary registration rights with respect to such shares of common stock of the Encore Parent, including the right to require the Encore Parent to effect and maintain a shelf registration statement to permit the sale of all of such shares in accordance with applicable securities laws pursuant to sale methods elected from time to time by the JCF Investor.

(b) [***]

(c) Subject to **Section 3.07(b)**, each Investor shall take all actions, including causing the Company and its Subsidiaries to take all actions, as may be reasonably necessary to consummate the Transfer contemplated by this **Section 3.02**, including entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate.

Section 3.03 [***]

(a) [***]

(b) [***]

(c) [***]

(d) Subject to **Section 3.07(b)**, each Investor shall take all actions, including causing the Company and its Subsidiaries to take all actions, as may be reasonably necessary to

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consummate the Transfer contemplated by this **Section 3.03**, including entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate.

Section 3.04 [***]

(a) [***]

(b) In connection with any Sale Process, the Investors shall use their commercially reasonable efforts to (i) reorganize the corporate holding structure of the Company and its Subsidiaries, as necessary, for the Sale Process to proceed efficiently in a manner that does not have any adverse consequence to any Investor and to ensure that the JCF Investor and Encore Investor shall directly receive all proceeds of such Sale Process following consummation thereof (whether through a liquidation of the Company, exchange of Company Securities for securities in Holdings prior to the consummation of such Sale Process or through some other method mutually agreed upon by the JCF Investor and the Encore Investor), and (ii) either (A) enter into definitive agreements governing the Holdings Sale or (B) consummate the Holdings IPO process, in each case, within nine months of the date triggering the Sale Process. Without limiting the foregoing, the Encore Investor shall take all actions reasonably requested by the JCF Investor to facilitate the Sale Process, including taking all such actions within its control, and using its best efforts to cause its Board designees to take all actions within their control, in each case, in its or their capacity as equityholder, director, member of a Board, committee thereof or officer of the Company or any of its Subsidiaries to facilitate approve and consummate the transactions contemplated by the Sale Process, including exercising any drag-along rights in furtherance thereof.

(c) In connection with any Sale Process, the JCF Investor shall keep the Encore Investor reasonably informed on a timely basis (including within three days after the occurrence of any material amendment, modification, development, discussion or negotiation relating to any such Sale Process) of the status and material details of any such Sale Process.

Section 3.05 [***]

(a) [***]

(i) [***]

(ii) [***]

(iii) [***]

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(iv) [***]

(v) [***]

(b) [***]

(i) [***]

(ii) [***]

(iii) [***]

(c) [***]

(d) [***]

(e) [***]

Section 3.06 Holdings IPO. In the event that the JCF Investor elects to proceed with a Holdings IPO, the Investors shall jointly agree on and appoint a bookrunner for the Holdings IPO process on the basis that such bookrunner shall underwrite all or a portion of the IPO at a given price, less any underwriter's discount (the "**IPO Price**"). If the IPO Price is equal to or less than the effective price per share of Common Stock (assuming the redemption of all PEC Instruments for their respective Redemption Amounts (as such term is used in the respective PEC Instrument)) offered to (or by) the Encore Investor, then the Encore Investor shall have the right to purchase all of the JCF Investor's Common Stock at such price, as well as the J Bridge PECs and J PECs for their respective Redemption Amounts (as such term is used in the respective PEC Instrument) (the "**Encore IPO ROFR**") in accordance with the terms of **Section 3.05(b)**. If the IPO Price is greater than the effective price per share of Common Stock (assuming the redemption of all PEC Instruments for their respective Redemption Amounts (as such term is used in the respective PEC Instrument)) offered to (or by) the Encore Investor or if the Encore Investor elects not to proceed with the Encore IPO ROFR, then the JCF Investor shall have the right to sell some or all of its interests in the Holdings IPO at the IPO price. In the Holdings IPO, the Encore Investor will provide reasonable assistance to complete the Holdings IPO, but shall have no obligation to sell any of its interests in the Holdings IPO.

Section 3.07 Limitations; Breach.

(a) [***]

(b) If the Encore Investor delivers an Exercise Notice, Default Exercise Notice or [***], the Encore Investor and the JCF Investor shall use commercially reasonable efforts to

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execute a customary definitive purchase agreement within 60 days of such election and to consummate such purchase within 10 days of receipt of any necessary regulatory approvals. Such agreement shall be without recourse or representation by the JCF Investor, other than customary representations as to the due authorization and execution of the purchase agreement, the JCF Investor's title to the Company Securities being free and clear of any liens or encumbrances (other than liens created pursuant to the Transaction Documents or the Organizational Documents, liens created by Purchaser and liens under securities laws) and customary representations, subject to customary exceptions and exclusions (including customary materiality exceptions and any exceptions or required regulatory consents), regarding the execution, delivery and performance by the JCF Investor of the purchase agreement being without conflict nor requiring any consent.

(c) [***]

(d) A material breach by the Encore Investor, at any time, of its obligations set forth in this Article III, when such breach is not cured within 30 days following delivery of written notice of such breach by the JCF Investor, will immediately result in the JCF Investor having the right at its sole discretion to proceed with any rights it has under this Article III (including its rights pursuant to **Sections 3.05** and **3.06**); [***].

(e) If there is any Transfer of J Shares, J PECs, and J Bridge PECs from the JCF Investor to the Encore Investor, without prejudice to any other provision of this Agreement, the Investors and the Company shall procure (to the extent that they are able) that any J Shares, J PECs and J Bridge PECs Transferred to the Encore Investor are re-classified as E Shares, E PECs or E Bridge PECs, as applicable.

Section 3.08 Encore Investor Offer Right. The Encore Investor shall have the right to offer to purchase all, but not less than all, of the JCF Investor's Company Securities; *provided*, *that*, the JCF Investor shall have no obligation to accept any such offer, and no such offer shall have any effect on any of the JCF Investor's other rights or obligations under this Article III.

Section 3.09 Encore Change of Control. A direct or indirect Encore Change of Control at any time prior to the Fourth Anniversary will result in the JCF Investor having the right (but not the obligation) to proceed with any rights set forth under **Article III** as if the Fourth Anniversary had been reached. For purposes of this **Section 3.09**, an "**Encore Change of Control**" means any transaction or series of related transactions (as a result of a tender offer, merger, consolidation or otherwise) that results in, or that is in connection with, (a) a merger, arrangement, scheme, consolidation or similar transaction involving the Encore Investor or any

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parent company thereof, including the Encore Parent, in any case, that results in more than 50% of the equity interests of the Encore Investor or any parent company thereof, including the Encore Parent (or any resulting company after the merger) being held by Persons other than the shareholders of such Encore Investor (or parent thereof) prior to the consummation of such transaction, (b) any third-party purchaser or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) of third-party purchasers acquiring beneficial ownership, directly or indirectly, of a majority of the then issued and outstanding shares of capital stock of the Encore Investor or any parent company thereof (including the Encore Parent) or (c) the sale, lease, exchange, conveyance, transfer or other disposition (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Encore Investor and its Subsidiaries, on a consolidated basis, to any third-party purchaser or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) of third-party purchasers (including any liquidation, dissolution or winding up of the affairs of the Encore Investor, or any other distribution made, in connection therewith).

Section 3.10 PEC Instruments and PECs.

(a) No holder of J PECs shall, save with consent of the Encore Investor, Transfer any J Share unless at the same time such transferor Transfers to the proposed transferee (at a price equal to the nominal value thereof and the unpaid interest accrued thereon as at the date of Transfer, unless the transferor agrees otherwise) such proportion of its total holding of J PECs as is equal to the proportion which the number of J Shares the subject of the Transfer bears to such transferor's total holding of J Shares.

(b) No holder of E PECs shall, save with JCF Investor Consent, Transfer any E Share unless at the same time such transferor Transfers to the proposed transferee (at a price equal to the nominal value thereof and the unpaid interest accrued thereon as at the date of Transfer, unless the transferor agrees otherwise) such proportion of its total holding of E PECs as is equal to the proportion which the number of E Shares the subject of the Transfer bears to such transferor's total holding of E Shares.

(c) Each holder of PECs hereby undertakes to the Company and the Investors that, if the Company has failed to make a payment when due to that holder of any sum pursuant to or in connection with its PECs and such sum continues to remain outstanding, such holder will not, without the consent of the Investors, do, undertake or effect any action or step (including the service of any statutory demand upon, or the issue of any petition to wind up the Company or any of its Subsidiaries) or otherwise exercise any right of recovery in relation to those sums which would or could result in the winding-up of the Company.

(d) The Company shall ensure that (i) all payments of interest under the E PEC Instrument and J PEC Instrument shall be paid to the holders of E PECs and J PECs pro rata to their respective holdings of such PECs and (ii) any redemption of E PECs and J PECs shall be effected in relation to each holder of E PECs and J PECs pro rata to their respective holdings of such PECs.

(e) The Company may, with the consent of the Encore Investor and the JCF Investor, vary the terms of any PEC Instrument and the PECs or give any waiver, consent, approval or release thereunder.

(f) To the extent applicable, each direct or indirect holder of PECs agrees to treat the PECs as equity in the Company for United States income tax purposes.

Section 3.11 Bridge PEC Conversion.

(a) The Bridge PECs may be redeemed in accordance with their terms during the period commencing on the closing date of the Securities Purchase Agreement and ending on June 18, 2014 (the "**Redemption Period**").

(b) Within ten Business Days following the expiry of the Redemption Period, the Company shall procure that the Bridge PECs outstanding (if any) shall be dealt with as follows:

(i) 1.36557 % of their principal amount shall be applied in subscribing for, in the case of E Bridge PECs, new E Shares, and in the case of the J Bridge PECs, new J Shares, in each case, at £0.38275 per share and the interest accrued but unpaid on that amount shall be paid in cash to the holders of the principal amount of Bridge PECs so applied;

(ii) the balance in principal amount shall be re-designated into, in the case of E Bridge PECs, E PECs, and in the case of the J Bridge PECs, J PECs, and the accrued unpaid interest thereon shall roll forward as an entitlement of the E PECs or J PECs so created;

(iii) the subscriptions and re-designations referred to above shall be effected between the holders of the Bridge PECs concerned as nearly as may be pro rata to their respective holdings of principal amount of Bridge PECs, as reasonably determined by the Bidco Board;

(iv) each holder of Bridge PECs shall execute and deliver such documents and things as may be necessary or reasonably required by the Company to give effect to the provisions of this **Section 3.11**;

(v) the Company shall execute and deliver such documents and things as may be necessary or reasonably required to give effect to the provisions of this **Section 3.11**;

(vi) the E Shares to be issued under this **Section 3.11** shall be issued in separate pro rata series E1 to E10 form in the same proportions as nearly may be as the issued E Shares of those sub series bear to each other respectively at the time of their issue;

(vii) the J Shares to be issued under this **Section 3.11** shall be issued in separate pro rata series J1 to J10 form in the same proportions as nearly may be as the issued J Shares of those sub series bear to each other respectively at the time of their issue; and

(viii) the new E Shares and J Shares of each series and E PECs and J PECs to be issued or created as provided in this **Section 3.11** shall rank *pari passu* with the other E Shares and J Shares of the same series and E PECs and J PECs already in issue.

Section 3.12 Minority Shareholders.

(a) Notwithstanding any other provision of this Agreement, a Transfer of Company Securities (other than to an Investor Affiliate, as defined in the Investment Agreement, or pursuant to clause 16.5 of the Investment Agreement) shall only be permitted if the provisions of clauses 16 and 19 of the Investment Agreement have been complied with. If there occurs any Transfer of Company Securities pursuant to this Agreement (whether the Encore Investor delivers an Exercise Notice, Default Exercise Notice or [***] or otherwise) which would constitute a Relevant Investorco Transfer or a Deemed Realisation or if a Deemed Realisation is otherwise to occur, the Company and each of the Investors shall, and the Investors shall, to the extent they are able, procure that the Company shall, comply with its obligations under clauses 16.2 to 16.4 (inclusive) of the Investment Agreement.

(b) Any cash consideration payable to the JCF Investor on completion of a Transfer of Company Securities pursuant to this Agreement from the JCF Investor to the Encore Investor (whether as a result of the Encore Investor delivering an Exercise Notice, Default Exercise Notice or [***] or otherwise) shall, if:

(i) the Transfer is a Relevant Investorco Transfer; and

(ii) either:

(A) the Company has made an offer to acquire all the Minority Shareholders' Securities in accordance with clauses 16.2.2 or 16.4 of the Investment Agreement which has been accepted by some or all of the Minority Shareholders; or

(B) the Company has exercised its right to acquire all of the Minority Shareholders' Securities under clause 16.3 of the Investment Agreement,

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be reduced by the amount by which the amount payable by the Company to the relevant C Shareholders pursuant to clause 16 of the Investment Agreement as a result of such Transfer of Company Securities exceeds the amount that would be payable by the Company to the relevant C Shareholders pursuant to clause 16 of the Investment Agreement as a result of such Transfer had the deemed cash receipt under paragraph 2.3.1 of schedule 6 of the Investment Agreement (and/or the equivalent provisions of the articles of association of Holdings) been disregarded and excluded from any calculations pursuant to clause 16 of the Investment Agreement.

(c) [***], each Investor agrees to take all necessary or desirable actions within such Investor's control (and to use its best efforts to cause its Board designees to take all actions within their control (including, in each case, in its, his or her capacity as equityholder, director, member of a Board committee or officer of the Company, Holdings or otherwise, and whether at a regular or special meeting of the Investors or by written consent in lieu of a meeting)) to cause the Company to exercise its rights to acquire the Securities of the Minority Shareholders under clause 16 of the Investment Agreement.

Section 3.13 Allocation of proceeds. The Investors agree that, if a liquidation of the Company (a "**Company Realisation**") occurs, they shall procure (and shall procure that the rights attaching to the Common Stock under the Articles shall provide) that the surplus assets of the Company available for distribution to the holders of Common Stock shall be paid as soon as reasonably practicable following such Company Realisation in the following order of priority:

(a) firstly, amounts shall be paid to the holders of E Shares (in proportion to the number of such E Shares held by them respectively) until the holders of the E Shares shall have received the amount by which the amount that was paid to the C Shareholders pursuant to the Ratchet Provisions as a result of the Realisation resulting in the Company Realisation exceeds the amount that would have been payable by the Company to the C Shareholders pursuant to the Ratchet Provisions as a result of such Realisation had the deemed cash receipt under paragraph 2.3.1 of schedule 6 of the Investment Agreement (and/or equivalent provisions of the articles of association of Holdings) been disregarded and excluded from any calculations pursuant to the Ratchet Provisions; and

(b) thereafter, the balance shall be paid to the holders of Common Stock in proportion to the amount of Common Stock held by them respectively.

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ARTICLE IV
PRE-EMPTIVE RIGHTS

Section 4.01 Pre-emptive Right.

(a) The Company hereby grants to each Investor the right to purchase and subscribe (and any reference made hereafter to a "purchase" shall be construed as a reference to a "subscription" or "subscribe", as applicable) its pro rata portion of any new Company Securities (other than any Excluded Securities or securities issued to give effect to the Bridge PEC Conversion Provisions) (the "**New Securities**") that the Company may from time to time propose to issue.

(b) The Company shall give written notice (an "**Issuance Notice**") of any proposed issuance described in subsection (a) above to the Investors within five days following any meeting of the Company Board at which any such issuance or sale is contemplated. The Issuance Notice shall set forth the material terms and conditions of the proposed issuance, including:

(i) the number of New Securities proposed to be issued and the percentage of the Company's outstanding Company Securities, on a fully diluted basis, that such issuance would represent;

(ii) the proposed issuance date, which shall be at least 60 days from the date of the Issuance Notice; and

(iii) the proposed purchase price per share.

(c) Each Investor shall for a period of 30 days following the receipt of an Issuance Notice (the "**Exercise Period**") have the right to elect irrevocably to purchase, at the purchase price set forth in the Issuance Notice, the amount of New Securities equal to the product of (x) the total number of New Securities to be issued by the Company on the issuance date and (y) a fraction determined by dividing (A) the number of Company Securities owned by such Investor immediately prior to such issuance by (B) the total number of Company Securities outstanding on such date immediately prior to such issuance (the "**Pre-emptive Pro Rata Portion**") by delivering a written notice to the Company.

(d) No later than five days following the expiration of the Exercise Period, the Company shall notify each Investor in writing of the number of New Securities that each Investor has agreed to purchase (including, for the avoidance of doubt, where such number is zero) (the "**Over-allotment Notice**"). Each Investor exercising its right to purchase its Pre-emptive Pro Rata Portion of the New Securities in full (an "**Exercising Investor**") shall have a right of over-allotment such that if any other Investor fails to exercise its right under this **Section 4.01** to purchase its Pre-emptive Pro Rata Portion of the New Securities (each, a "**Non-Exercising Investor**"), such Exercising Investor may purchase all or any portion of such Non-

Exercising Investor's allotment (the "**Over-allotment New Securities**") by giving written notice to the Company setting forth the number of Over-allotment New Securities that such Exercising Investor is willing to purchase within five days of receipt of the Over-allotment Notice (the "**Over-allotment Exercise Period**"). If more than one Exercising Investor elects to exercise its right of over-allotment, each Exercising Investor shall have the right to purchase the number of Over-allotment New Securities it elected to purchase in its written notice; *provided,* that if the over-allotment New Securities are over-subscribed, each Exercising Investor shall purchase its pro rata portion of the available Over-allotment New Securities based upon the relative Pre-emptive Pro Rata Portions of the Exercising Investors.

(e) The Company shall be free to complete the proposed issuance or sale of New Securities described in the Issuance Notice with respect to any New Securities not elected to be purchased pursuant to **Section 4.01(c)** and **Section 4.01(d)** above in accordance with the terms and conditions set forth in the Issuance Notice (except that the amount of New Securities to be issued or sold by the Company may be reduced) so long as such issuance or sale is closed within 30 days after the expiration of the Over-allotment Exercise Period (subject to the extension of such 30-day period for a reasonable time not to exceed 90 days to the extent reasonably necessary to obtain any Government Approvals). In the event the Company has not issued such New Securities within such time period, the Company shall not thereafter issue any New Securities without first again offering such securities to the Investors in accordance with the procedures set forth in this **Section 4.01**. Any issue of securities contemplated herein shall be made in accordance with the procedure set out under Applicable Law.

(f) Upon the consummation of the issuance of any New Securities in accordance with this **Section 4.01**, the Company shall deliver to each Exercising Investor certificates (if applicable) evidencing the New Securities to the extent such New Securities are certificated securities, which New Securities shall be issued free and clear of any Liens (other than those arising hereunder and those attributable to the actions of the purchasers thereof), and the Company shall so represent and warrant to the purchasers thereof, and further represent and warrant to such purchasers that such New Securities shall be, upon issuance thereof to the Exercising Investors and after payment therefor, duly authorized, validly issued, fully paid and non-assessable. Each Exercising Investor shall deliver to the Company the purchase price for the New Securities purchased by it by certified or official bank check or wire transfer of immediately available funds. Each party to the purchase and sale of New Securities shall take all such other actions as may be reasonably necessary to consummate the purchase and sale including entering into such additional agreements as may be necessary or appropriate.

(g) If the Company has the opportunity to subscribe for any security or convertible instrument of Holdings in an offering, the Company shall not participate in such offering and subscribe for any such security or convertible instrument unless: (i) the JCF Investor consents to

the participation by the Company in such offering or (ii) the Investors are offered the opportunity to participate in the offering on a pro rata basis with respect to the entirety of the securities or convertible instruments being offered, through the pro rata issuance of Company Securities to the Investors and at least one Investor elects to participate in the offering. The Company may only subscribe for securities or convertible instruments of Holdings to the extent of the amount of the funds received by Investors electing to participate in the offering in exchange for the issuance of Company Securities. If any Investor declines to participate in such offering, the participating Investors may purchase all or any portion of such non-participating Investor's allotment of the Common Shares; *provided,* that if such Common Shares are over-subscribed, each participating Investor shall purchase its pro rata portion of such Common Shares and the Company may use the funds from the participating Investors to fund the entire amount of the offering.

ARTICLE V
NON-COMPETE AND OTHER AGREEMENTS

Section 5.01 Non-Compete; Non-Solicit.

(a) (i) In the event the Target considers the acquisition of, or the investment in, any additional non-performing or semi-performing consumer credit portfolios in the Territory (a "**Target Acquisition**") and the Target elects not to proceed with such Target Acquisition, each of the Initial Investors or their Affiliates shall, in the first instance, have a right to jointly acquire their pro rata share of such portfolio, to be serviced on reasonable commercial terms by the Target at its option. To the extent either of the Encore Investor or the JCF Investor (or their respective Affiliates) does not elect to participate in such Target Acquisition, then the participating Initial Investor or its Affiliates shall have the right to acquire the entire portfolio, subject to the consent of the JCF Investor (such consent not to be unreasonably withheld, conditioned or delayed); [***]

(b) Except as set forth in **Section 5.01(a)**, (i) until the date that is one year following the date on which the Encore Investor ceases to own at least 20% of the Company Securities of the Company, the Encore Parent and its controlled Affiliates shall not own, establish, manage, operate, control or participate in the ownership, management, operation or control of (A) any debt portfolio primarily consisting of non-performing or semi-performing consumer credit loans in the Territory or (B) any Competitor, and any ownership, establishment, management, operation or participation in the ownership, management, operation or control of any Competitor by Encore Investor or its controlled Affiliates shall be pursued only through the Company or one

[***] 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.

of its Subsidiaries and (ii) until the date that is one year following the date on which the JCF Investor ceases to own at least 20% of the Company Securities of the Company, the JCF Fund shall not own, establish, manage, operate, control or participate in the ownership, management, operation or control of (A) any debt portfolio primarily consisting of non-performing or semi-performing consumer credit loans in the Territory or (B) any Competitor, and any ownership, establishment, management, operation or participation in the ownership, management, operation or control of any Competitor by the JCF Fund shall be pursued only through the Company or one of its Subsidiaries (such restrictions on each of Encore Investor and the JCF Fund, the "**Non-Compete Obligations**"); *provided,* that nothing in this **Section 5.01(b)** shall prohibit either Encore Investor or the JCF Fund from acquiring or owning, directly or indirectly up to 2% of the aggregate voting securities of any Competitor that is a publicly traded Person.

(c) (i) Until the date that is one year following the date on which the Encore Investor owns less than 20% of the Company Securities of the Company, the Encore Parent, and its Affiliates will not, without prior written consent of the JCF Investor, solicit or hire any employees of the Company or any of its Subsidiaries and (ii) until the date that is one year following the date on which the JCF Investor owns less than 20% of the Company Securities of the Company, J.C. Flowers & Co. LLC will not, without the prior written of the Encore Investor, solicit or hire any employees of the Company or any of its Subsidiaries (such restrictions, the "**Non-Solicit Obligations**").

(d) The Non-Compete Obligations and the Non-Solicit Obligations shall survive any transfer or sale of the Company and any of its Subsidiaries, and any rights thereto may be enforced by the Company or its Subsidiaries in accordance with their terms irrespective of the identity of the Investors of the Company.

Section 5.02 Blue Pencil. If any court determines that any of the covenants set forth in **Section 5.01**, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable.

Section 5.03 Corporate Opportunities.

(a) [***]

(b) Except as otherwise provided in **Sections 5.03(a)** and **5.01**, and subject to each Investor's obligations under **Section 5.01**, to the fullest extent permitted by law, (i) no Investor

[***] 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.

nor any of its Affiliates shall have any duty to communicate or present a Corporate Opportunity to the Company or its Subsidiaries that is not a Restricted Opportunity, and (ii) no Investor nor any of its Affiliates shall be deemed to have breached any fiduciary or other duty or obligation to the Company or its subsidiaries by reason of the fact that any such Investor or Affiliate pursues or acquires a Corporate Opportunity for itself or directs, sells, assigns or transfers such Corporate Opportunity to another Person or does not communicate information regarding such Corporate Opportunity to the Company or its Subsidiaries. The Company renounces, on behalf of itself and its Subsidiaries, to the fullest extent permitted by law, any interest in a Corporate Opportunity (other than a Restricted Opportunity) and any expectancy that a Corporate Opportunity (other than a Restricted Opportunity) will be offered to the Company or its Subsidiaries.

Section 5.04 Confidentiality.

(a) Each Investor shall and shall cause its Representatives to, keep confidential and not divulge any information (including all budgets, business plans and analyses) concerning the Company, including its assets, business, operations, financial condition or prospects, the provisions of this Agreement and any other agreement between the parties and the process of their negotiation and all information about any other party or any of its Affiliates obtained or received by it as a result of negotiating, entering into or performing its obligations under this Agreement and any other agreement between the parties or by virtue of it holding Company Securities ("**Information**"), and to use, and cause its Representatives to use, such Information only in connection with the operation of the Company; *provided,* that nothing herein shall prevent any Investor from disclosing such Information (i) upon the order of any court or administrative agency, (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Investor, including the U.S. Securities and Exchange Commission, (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests, (iv) to the extent necessary in connection with the exercise of any right or remedy hereunder (including the exercise by the JCF Investor of its rights pursuant to **Article III**, including its rights to pursue or effect a Holdings Sale or Holdings IPO), (v) to other Investors, (vi) to such Investor's Representatives, Affiliates and partners (which parties shall include a current investor of the JCF Investor or its Affiliates) that in the reasonable judgment of such Investor need to know such Information or (vii) to any potential Permitted Transferee in connection with a proposed Transfer of Company Securities from such Investor as long as such transferee agrees to be bound by the provisions of this **Section 5.04** as if an Investor, *provided, further*, that in the case of clause (i), (ii) or (iii), such Investor shall notify the other parties hereto of the proposed disclosure as far in advance of such disclosure as practicable and use reasonable efforts to ensure that any Information so disclosed is accorded confidential treatment, when and if available.

(b) The restrictions of **Section 5.04(a)** shall not apply to information that (i) is or becomes generally available to the public other than as a result of a disclosure by an Investor or any of its Representatives in violation of this Agreement; (ii) is or becomes available to an Investor or any of its Representatives on a non-confidential basis prior to its disclosure to the receiving Investor and any of its Representatives, (iii) is or has been independently developed or conceived by such Investor without use of the Company's Information, as demonstrated by written records of such Investor or (iv) becomes available to the receiving Investor or any of its Representatives on a non-confidential basis from a source other than the Company, any other Investor or any of their respective Representatives, *provided,* that such source is not known by the recipient of the information to be bound by a confidentiality agreement with the disclosing Investor or any of its Representatives.

Section 5.05 Executive Management. In the event that Target desires to hire as a member of its executive management team any individual who is, at the time of such hiring, (a) employed by the Encore Investor or any of its Affiliates (other than the Company and its Subsidiaries), then the JCF Investor shall have the right to approve such hiring, or (b) employed by the JCF Investor or any of its Affiliates (other than the Company and its Subsidiaries), then the Encore Investor shall have the right to approve such hiring.

Section 5.06 Monitoring Services. The Initial Investors agree to provide reasonable monitoring services to the Target at their own cost.

ARTICLE VI
INFORMATION RIGHTS

Section 6.01 Financial Statements. In addition to, and without limiting any rights that an Investor may have with respect to inspection of the books and records of the Company and its Subsidiaries under Applicable Laws, the Company shall furnish to each Investor, the following information:

(a) As soon as available, and in any event within 45 days after the end of each Fiscal Year, the balance sheet of the Company and its Subsidiaries as at the end of each such Fiscal Year and the statements of income, cash flows and changes in stockholders' equity for such year, which, to the extent required by Applicable Law, shall be audited and accompanied by the certification of independent certified public accountants of recognized national standing selected by the Company Board to the effect that, except as set forth therein, such financial statements have been prepared in accordance with GAAP, applied on a basis consistent with prior years and fairly present in all material respects the financial condition of the Company and its Subsidiaries as of the dates thereof and the results of its operations and changes in its cash flows and

stockholders' equity for the periods covered thereby. In the event such financial statements are not required to be audited, the Company shall cause each of its Subsidiaries that prepares audited financial statements to provide such audited statements of such Subsidiaries to the Investors.

(b) As soon as available, and in any event within 30 days after the end of each fiscal quarter, the balance sheet of the Company and its Subsidiaries at the end of such quarter and the statements of income, cash flows and changes in stockholders' equity for such quarter, all in reasonable detail and all prepared in accordance with GAAP, consistently applied, and certified by an executive officer (or person serving a similar function) of the Company.

(c) To the extent Company or any of its Subsidiaries is required by Applicable Law or pursuant to the terms of any outstanding indebtedness of the Company or any of its Subsidiaries to prepare such reports, any annual reports (including reports with financial statements prepared on a basis other than GAAP), quarterly reports and other periodic reports (without exhibits) actually prepared by the Company or any such Subsidiary as soon as available.

(d) Subject to **Section 6.03(a)**, any financial and accounting information of the Company and its Subsidiaries to the extent the Company and its Subsidiaries are reported or filed on a consolidated basis with the financial statements of the Encore Investor and its Affiliates, and reasonable assistance and cooperation required in connection with the preparation of such consolidated financial statements of Encore Investor and its Affiliates.

(e) Subject to **Section 6.03(b)**, any financial and accounting information of the Company and its Subsidiaries to the extent such information is necessary to ensure J.C. Flowers & Co. LLC's or any of its Subsidiaries compliance with its fund reporting obligations, and the reasonable assistance and cooperation required in connection therewith.

(f) All information required to be delivered to Holdings pursuant to any Transaction Document.

(g) Such other information as each Investor may reasonably request, including information necessary to provide tax returns of such Investor.

Section 6.02 Inspection Rights.

(a) The Company shall, and shall cause its officers, Company Directors and employees to, (i) (A) afford each Initial Investor and (B) each other Investor that owns at least 20% of the Company's outstanding Company Securities and the Representatives of each such Investor, during normal business hours and upon reasonable notice, reasonable access at all reasonable times to Target's officers, employees, auditors, properties, offices, plants and other facilities and to all books and records, and (ii) afford such Investor the opportunity to consult with its officers from time to time regarding Target's affairs, finances and accounts as each such Investor may reasonably request upon reasonable notice.

(b) The right set forth in **Section 6.02(a)** above shall not and is not intended to limit any rights which the Investors may have with respect to the books and records of the Company or its Subsidiaries, or to inspect its properties or discuss its affairs, finances and accounts under the laws of the jurisdiction in which the Company or its Subsidiaries are incorporated.

Section 6.03 Reimbursement of Accounting Expenses.

(a) Any costs incurred by the Company and its Subsidiaries in implementing the procedures and systems necessary to ensure the Encore Parent's, or any of its Subsidiaries', compliance with its obligations under Section 404 of the Sarbanes-Oxley Act, any other relevant United States securities law or regulation, and United States public company accounting and financial reporting requirements shall be reimbursed by the Encore Investor, *provided* that the Encore Investor shall only be required to reimburse such costs to the extent that they are incremental to costs relating to the procedures and systems that the Company and its Subsidiaries would otherwise be required to implement on their own.

(b) Any costs incurred by the Company and its Subsidiaries in preparing information necessary to ensure J.C. Flowers & Co. LLC's or any of its Subsidiaries' compliance with its fund reporting obligations shall be reimbursed by J.C. Flowers & Co. LLC, *provided* that J.C. Flowers & Co. LLC shall only be required to reimburse such costs to the extent that they are incremental to costs that the Company and its Subsidiaries would otherwise be required to incur on their own.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES

Section 7.01 Representations and Warranties. Each Investor, severally and not jointly, represents and warrants to the Company and each other Investor that:

(a) Such Investor is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation.

(b) Such Investor has full power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action of such Investor. Such Investor has duly executed and delivered this Agreement.

(c) This Agreement constitutes the legal, valid and binding obligation of such Investor, enforceable against such Investor in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws

affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, require no action by or in respect of, or filing with, any Governmental Authority.

(d) The execution, delivery and performance by such Investor of this Agreement and the consummation of the transactions contemplated hereby do not (i) conflict with or result in any violation or breach of any provision of any of the organizational documents of such Investor, (ii) conflict with or result in any violation or breach of any provision of any Applicable Law or (iii) require any consent or other action by any Person under any provision of any material agreement or other instrument to which the Investor is a party.

(e) Except for this Agreement, such Investor has not entered into or agreed to be bound by any other agreements or arrangements of any kind with any other party with respect to the Company Securities, including agreements or arrangements with respect to the acquisition or disposition of the Company Securities or any interest therein or the voting of the Common Stock (whether or not such agreements and arrangements are with the Company or any other Investor).

ARTICLE VIII
TERM AND TERMINATION

Section 8.01 Termination. This Agreement shall terminate upon the earliest of:

(a) the consummation of an Initial Public Offering;

(b) the consummation of a merger or other business combination involving the Company whereby the securities of the Company (or shares of any Subsidiary of the Company) becomes listed or admitted to trading on a national or internationally recognized investment exchange;

(c) the date on which (i) none of the Investors holds any Company Securities or (ii) only one Investor owns all of the issued and outstanding Company Securities;

(d) the dissolution, liquidation, or winding up of the Company; or

(e) upon the unanimous agreement of the Investors.

Section 8.02 Effect of Termination.

(a) The termination of this Agreement shall terminate all further rights and obligations of the Investors under this Agreement except that such termination shall not effect:

(i) the existence of the Company;

(ii) the obligation of any Party to pay any amounts arising on or prior to the date of termination, or as a result of or in connection with such termination;

(iii) the rights which any Investor may have by operation of law as an equityholder of the Company; or

(iv) the rights contained herein which, but for their terms are intended to survive termination of this Agreement.

(b) The following provisions shall survive the termination of this Agreement: this **Section 8.02** and **Section 5.04**, **Section 9.03**, **Section 9.11**, **Section 9.12** and **Section 9.13**.

ARTICLE IX
MISCELLANEOUS

Section 9.01 Expenses. Except as otherwise expressly provided herein or in the Securities Purchase Agreement, all costs and expenses of any Investor, including fees and disbursements of counsel, financial advisors and accountants, incurred after the date of this Agreement in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses. Except as provided herein (including pursuant to Section 6.03), all costs and expenses of the Company and its Subsidiaries incurred after the date of this Agreement in connection with this Agreement, the transactions contemplated hereby and the organizational expenses and ongoing operational expenses of the Company and its Subsidiaries, to the extent borne by any Investor, shall be borne by the Investors pro rata on the basis of their respective ownership of Company Securities.

Section 9.02 Release of Liability. In the event any Investor shall Transfer all of the Company Securities held by such Investor in compliance with the provisions of this Agreement without retaining any interest therein, then such Investor shall cease to be a party to this Agreement and shall be relieved and have no further liability arising hereunder for events occurring from and after the date of such Transfer, except as provided in **Section 5.01**.

Section 9.03 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the second day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 9.03**):

If to the Company:	Janus Holdings Luxembourg S.À R.L. 47, Avenue John F. Kennedy L-1855 Luxembourg Facsimile: +352 27110099 Email: sssl@ais.statestreet.com Attention: the Managers
with a copy to (which shall not constitute notice):	Simpson Thacher & Bartlett LLP 425 Lexington Avenue New York, NY 10017 Facsimile: (212) 455-2502 Email: mapluche@stblaw.com Attention: Maripat Alpuche
If to the Encore Investor:	Encore Europe Holdings S.À R.L. 3111 Camino Del Rio North Suite 1300 San Diego, California 92108 Facsimile: (858) 309 - 1546 Email: greg.call@encorecapital.com Attention: Gregory L. Call
with a copy to (which shall not constitute notice):	Latham & Watkins LLP 355 South Grand Avenue Los Angeles, California 90071-1560 Facsimile: (213) 891 - 8763 Email: steven.stokdyk@lw.com Attention: Steven B. Stokdyk, Esq.
If to the JCF Investor:	J.C. Flowers & Co. LLC Facsimile: (212) 404 - 6899 Email: srocker@jcfo.com Attention: Sally Rocker

with a copy to (which shall not constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Facsimile: (212) 455-2502
Email: mapluche@stblaw.com
Attention: Maripat Alpuche

Section 9.04 Interpretation. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (x) to Articles, Sections, and Exhibits mean the Articles and Sections of, and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein. Any reference to the "directors" of a Luxembourg *société à responsabilité limitée* shall be construed as a reference to its managers (*gérants*).

Section 9.05 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 9.06 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 9.07 Entire Agreement. This Agreement, the Investment Agreement, the Acquisition Agreement, the Securities Purchase Agreement, the Organizational Documents, the

Transaction Documents (as defined in the Investment Agreement and the Acquisition Agreement) and the other documents and instruments referred to therein constitute the sole and entire agreement of the parties with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency or conflict between this Agreement and any Organizational Document, the Investors and the Company shall, to the extent permitted by Applicable Law, amend such Organizational Document to comply with the terms of this Agreement.

Section 9.08 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 9.09 No Third-party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 9.10 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 9.11 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of New York.

Section 9.12 Dispute Resolution.

(a) The parties hereto mutually agree to final and binding arbitration of all disputes, claims or causes of action arising out of or related to this Agreement, including any question regarding its existence, validity, or termination, and any question as to whether a particular

dispute is arbitrable hereunder, shall be referred to and finally resolved by binding arbitration administered by the International Chamber of Commerce (the "**ICC**") and conducted pursuant to its Rules of Arbitration (the "**ICC Rules**") by three arbitrators appointed in accordance with the ICC Rules. The place of arbitration shall be New York, New York and the language to be used in the arbitral proceedings shall be English. Judgment upon the award may be entered by any court having jurisdiction thereof, including any court outside the United States. The parties hereby waive in any legal proceedings concerning or arising out of any such arbitration, including without limitation proceedings to compel arbitration, stay litigation, issue interim measures of protection including attachments, issue an injunction prior to the constitution of the arbitral tribunal, recognize or enforce an arbitral award, or enforce a court judgment issued on an arbitral award ("**Ancillary Proceedings**") any defense of lack of personal jurisdiction or forum non conveniens or other similar doctrine. Without limitation, the parties hereby consent to the jurisdiction of the courts sitting in the place of arbitration in connection with any Ancillary Proceedings. The arbitral tribunal shall have the power to grant interim measures in accordance with the ICC Rules. Any party to the arbitration shall bear its own costs and expenses (including all attorneys' fees and expenses, except to the extent otherwise required by Applicable Law) and all costs and expenses of the arbitration proceeding (such as filing fees, the arbitrator's fees, hearing expenses, etc.) shall be borne equally by the parties. The parties waive irrevocably their right to any form of appeal, review or recourse to any judicial authority, insofar as such waiver may be validly made, with respect to any award of the arbitrator, including interim or partial awards, and including with respect to questions of law. The arbitrator has the authority only to award the equitable relief, damages, costs and fees that would have been available to a party had the dispute(s), claim(s) or cause(s) of action been litigated in court under the Applicable Law specified in this Agreement. This Agreement, and the decision and award of the arbitrator, may be enforced by a court of competent jurisdiction, and the parties may assert this Agreement as a defense in any proceeding.

(b) In addition, the parties agree that (i) the arbitrator shall have no authority to make any decision, judgment, ruling, finding, award or other determination that does not conform to the terms and conditions of this Agreement (as executed and delivered by the parties hereto) and (ii) the arbitrator shall have no greater authority to award any relief than a court having proper jurisdiction. Any decision, judgment, ruling, finding, award or other determination of the arbitrator and any information disclosed in the course of any arbitration hereunder (collectively, the "**Arbitration Information**") shall be kept confidential by the parties subject to **Section 5.04**, and any appeal from or motion to vacate or confirm such decision, judgment, ruling, finding, award or other determination shall be filed under seal.

(c) In the event that either party or any of such party's Affiliates, associates or Representatives is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand or

similar process) to disclose any Arbitration Information (the "**Disclosing Party**"), such Disclosing Party shall notify the other party promptly of the request or requirement so that the other party may seek an appropriate protective order or waive compliance with the provisions hereof. If, in the absence of a protective order or the receipt of a waiver hereunder, the Disclosing Party or any of its Affiliates, associates or Representatives believes in good faith, upon the advice of legal counsel, that it is compelled to disclose any such Arbitration Information, such Disclosing Party may disclose such portion of the Arbitration Information as it believes in good faith, upon the advice of legal counsel, it is required to disclose; *provided,* that the Disclosing Party shall use reasonable efforts to obtain, at the request and expense of the other party, an order or other assurance that confidential treatment shall be accorded to such portion of the Arbitration Information required to be disclosed as such other party shall designate. Notwithstanding anything herein to the contrary, the parties shall have no obligation to keep confidential any Arbitration Information that becomes generally known to and available for use by the public other than as a result of the Disclosing Party's acts or omissions or the acts or omissions of such party's Affiliates, associates or Representatives.

(d) The arbitration requirement does not limit the right of either party to obtain provisional or ancillary remedies, such as injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of either party to submit any dispute to arbitration or reference hereunder.

(e) To the maximum extent practicable, the ICC, the arbitrator and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the dispute with the ICC. If more than one agreement for arbitration among the parties potentially applies to a dispute, the arbitration provision most directly related to this Agreement or the subject matter of the dispute shall control. This arbitration provision shall survive termination, amendment or expiration of this Agreement or any relationship among the parties.

Section 9.13 Equitable Remedies. Each party hereto acknowledges that the other parties hereto would be irreparably damaged in the event of a breach or threatened breach by such party of any of its obligations under this Agreement and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, each of the other parties hereto shall, in addition to any and all other rights and remedies that may be available to them in respect of such breach, be entitled to an injunction from a court of competent jurisdiction (without any requirement to post bond) granting such parties specific performance by such party of its obligations under this Agreement. In the event that any party files a suit to enforce the covenants contained in this Agreement (or obtain any other remedy in respect of any breach thereof), the prevailing party in the suit shall be entitled to receive in addition to all other damages to which it may be entitled, the costs incurred by such party in conduction the suit, including reasonable attorney's fees and expenses.

Section 9.14 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ENCORE EUROPE HOLDINGS S.À R.L.

By /s/ Paul Grinberg
Name: Paul Grinberg
Title: Manager

For the purposes of Sections 2.05, 5.01(b), 5.01(c), 5.03, 6.03 and Article IX:

ENCORE CAPITAL GROUP, INC.

By /s/ Paul Grinberg
Name: Paul Grinberg
Title: Chief Financial Officer

JANUS HOLDINGS LUXEMBOURG S.À R.L.

By /s/ Jens Hoellermann
Name: Jens Hoellermann
Title: Manager

JCF III EUROPE S.Á R.L.

By /s/ Sally Rocker
Name: Sally Rocker
Title: Manager

For the purposes of Sections 3.03, 5.01(b), 5.03 and Article IX:

JCF III EUROPE HOLDINGS LP

By /s/ Sally Rocker
Name: Sally Rocker
Title: Authorized Signatory

SCHEDULE 1

EXCHANGES

London Stock Exchange

NYSE Euronext (Amsterdam Stock Exchange)

Luxembourg Stock Exchange

NASDAQ OMX

EXHIBIT A

INVESTMENT AGREEMENT

[ATTACHED]

EXHIBIT B

FORM OF JOINDER AGREEMENT

[ATTACHED]

Exhibit A

Date _____ 2013

ENCORE EUROPE HOLDINGS S.ÀR.L.

JCF III EUROPE HOLDINGS LP

JCF III EUROPE S.ÀR.L.

JANUS HOLDINGS LUXEMBOURG S.ÀR.L.

THE MANAGERS

BEDELL TRUSTEES LIMITED

CARAT MANAGER NOMINEE LIMITED

CABOT HOLDINGS S.ÀR.L.

CARAT UK HOLDCO LIMITED

CARAT UK MIDCO LIMITED

CABOT (GROUP HOLDINGS) LIMITED

Amended and restated

INVESTMENT AGREEMENT

relating to an investment in Cabot Holdings S.àr.l.

MACFARLANES

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

CONTENTS

DATE 2013

PARTIES

1 **ENCORE EUROPE HOLDINGS S.ÀR.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 560A, rue de Neudorf, L-2220 Luxembourg, not yet registered with the Luxembourg trade and companies' register ("**Encore**");

2 **JCF III EUROPE HOLDINGS LP** (registered in the Cayman Islands under number WK-48187) whose registered office is at 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands ("**JCF**");

3 **JCF III EUROPE S.ÀR.L.**, a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 47, avenue John F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 161027 ("**JCF Luxco**");

4 **JANUS HOLDINGS LUXEMBOURG S.ÀR.L**., a private limited liability company (*société à responsabilité limitée)*, incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 47, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, not yet registered with the Luxembourg trade and companies' register ("**Investorco**");

5 **THE PERSONS** whose names and addresses are set out in columns 1 and 2 of parts 1, 2 and 3 of schedule 1 (the "**Initial Managers**");

6 **BEDELL TRUSTEES LIMITED** (incorporated in Jersey with registration number 6564) whose registered office is at 26 New Street, St Helier, Jersey JE2 3RA in its capacity as the trustee of the Cabot Holdings S.àr.l. Employee Benefit Trust (the "**EBT**");

7 **CARAT MANAGER NOMINEE LIMITED** (registered in England under number 8478856) whose registered office is at 1 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4UA (the "**Manager Nominee**");

8 **CABOT HOLDINGS S.ÀR.L.**, a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 47, avenue John F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 176902 (the "**Company**");

9 **CARAT UK HOLDCO LIMITED** (registered in England and Wales under number 8467515) whose registered office is at 1 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4UA ("**UK Holdco**");

10 **CARAT UK MIDCO LIMITED** (registered in England and Wales under number 8474063) whose registered office is at 1 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4UA ("**UK Midco**"); and

11 **CABOT (GROUP HOLDINGS) LIMITED** (registered in England and Wales under number 8467547) whose registered office is at 1 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4UA ("**Bidco**").

BACKGROUND

A The Company is a private company limited by shares registered in Luxembourg under number B 176902.

B On the Original Completion Date:

(i) the Original Investors, the Manager Nominee, the EBT and the Initial Managers subscribed for Securities on the terms and subject to the conditions of the Subscription Agreement;

(ii) the Original Investment Agreement was entered into by the parties thereto; and

(iii) Bidco, an indirect wholly-owned subsidiary of the Company, acquired the entire issued share capital of the Acquired Company on the terms and subject to the conditions of the Acquisition Agreement.

C On 28 June 2013, the Company and JCF Luxco entered into the Redemption Agreement pursuant to which the Company agreed to the Redemption.

D JCF Luxco has agreed to transfer all its Securities (save for 24,603,645 Bridge PECs with a par value of £1 each) to Investorco and Encore on the terms of the Syndication Documents.

E The Parties have agreed to enter into this agreement in order to amend and restate the Original Investment Agreement as a result of the Syndication and to regulate the position between the Investors, the Investorco Investors, the Manager Nominee, the EBT and the Managers as holders of Securities and Investorco Securities.

AGREEMENT

1 **Definitions and interpretation**

1.1 The background section and schedules form part of this agreement and shall have the same force and effect as if set out in the body of this agreement. Any reference to this agreement shall include the background section and schedules.

1.2 In this agreement, the following words and expressions have the following meanings:

A Shares: the A shares of £0.002 each in the capital of the Company, split into the differing series referred to in and having the rights attaching to them in the Luxco Articles;

A Shareholders: the holders of A Shares;

Acquired Company: Cabot Credit Management Limited (registered in England and Wales under number 05754978);

Acquired Group: the Acquired Company and its subsidiaries;

Acquisition Agreement: as defined in the Subscription Agreement;

Agreed Form: the form agreed between and signed by or on behalf of the Initial Investors and the Initial Core Managers;

Agreed Valuation Basis: the value of any relevant Securities shall be their open market value, as at the date specified in the relevant provision of this agreement, assuming a sale for cash on that date of full legal and beneficial ownership of all of the issued Securities of the Company by their holders or owners on a willing basis to a willing purchaser by way of bargain at arm's length and applying the Ratchet Provisions accordingly and attributing to those Securities their pro rata proportion of the aggregate value so determined without any addition or subtraction of any premium or discount in relation to the size of the holding of the holding of Securities concerned;

Audit Committee: the audit committee of the Bidco Board constituted in accordance with clause 3.9;

Bad Leaver: an Employee who ceases to be an Employee (whether prior to or after Completion) in any of the following circumstances:

(i) his resignation (otherwise than due to reasons of ill health preventing him from performing his duties as an Employee or permanent disability or incapacity); or

(ii) summary dismissal in accordance with the terms of his Service Agreement or as a result of him committing a repudiatory breach of such Service Agreement, or otherwise where the provisions of paragraph 3.9 of schedule 4 apply;

B Shares: the B shares of £0.002 each in the capital of the Company, split into the differing series referred to in and having the rights attaching to them in the Luxco Articles;

B Shareholders: the holders of B Shares;

Bidco Articles: the articles of association of Bidco adopted on the Original Completion Date in accordance with the Subscription Agreement, as from time to time amended or replaced in accordance with this agreement;

Bidco Board: the board of directors of Bidco from time to time;

Bonds: the £265,000,000 senior secure notes 2019 issued by Cabot Financial (Luxembourg) S.A. pursuant to the Indenture;

Bridge PEC Conversion Provisions: the provisions of clause 7.2 of this agreement and the Bridge PEC Instrument requiring the conversion of the Bridge PECs into A Shares and A PECs;

Budget: a budget prepared and provided to the Investors pursuant to clause 8.1.1, which has been approved by the Bidco Board with Investor Consent, as from time to time varied with such an approval and consent;

Business Day: (other than in clause 24) any day other than a Saturday, Sunday or any other day which is a public holiday in England or Luxembourg;

Business Plan: as defined in the Subscription Agreement;

C Share Conversion Provisions: the provisions of clause 7.3 of this agreement and any related provisions of the Luxco Articles providing for the conversion of certain of the C Shares into D Shares;

C Shares: the C shares of £0.002 each in the capital of the Company, split into the differing series referred to in and having the rights attaching to them in the Luxco Articles;

C Shareholders: the holders of C Shares;

CEO: the chief executive officer of the Acquired Company from time to time, which at the date of this agreement is Neil Clyne;

Cessation Date: the date on which a Manager ceases to be an Employee or, if sooner, the date on which notice of termination of his Service Agreement is given;

Chairman: the chairman of the Bidco Board from time to time appointed in accordance with clause 3.5;

Claim: any claim by any Claimant against a Respondent for a breach of any of the provisions of this agreement (including any claim against the Initial Core Managers for breach of the warranties given in the Subscription Agreement), the Acquisition Agreement or the Warranty Deed;

Claimant: each of the Investors and Bidco, to the extent that they are bringing a Claim;

Completion: completion of this agreement in accordance with clause 2.1;

Completion Date: the date of Syndication Completion;

Confidential Information: all information (whether oral or recorded in any medium) not in the public domain relating to any Group Company's business, financial or other affairs which is treated by a Group Company as confidential;

Controlling Interest: a holding of Shares having the right to exercise more than 50% of the votes at a shareholder meeting of the Company;

Core Managers: the Initial Core Managers and any other person who executes a Deed of Adherence as a Core Manager in accordance with clause 19.1;

Cost: in respect of each Sale Share, the acquisition cost of such Sale Share on the first occasion on which that Sale Share was acquired by the relevant Employee or one of his Related Parties (excluding any acquisition from that Employee or one of his Related Parties);

D Shares: D shares of £0.002 each in the capital of the Company;

D Shareholders: the holders of D Shares;

Deed of Adherence: a deed substantially in the form in the Agreed Form marked "A";

Deemed Realisation: either of the following to the extent not occurring by way of a Realisation:

(i) JCF and its Investor Affiliates ceasing to hold between them any direct or indirect interest in at least 20% of the Original A Shares; or

(ii) the member(s) of the Encore Group ceasing to hold between them a direct or indirect interest in Shares constituting a Controlling Interest;

[***]

Eligible Equity Shares: Equity Shares which (i) are not C Shares or D Shares and (ii) were not issued on terms that they shall not be Eligible Equity Shares in the appropriate Issue Notice;

Emergency Situation: any situation where the Bidco Board (acting reasonably, with Investor Consent and in consultation with the CEO) determines that the financial situation of the Company or any member of the Group is such that a member of the Group is in unremedied and unwaived breach of or is likely imminently to breach (and absent a Rescue Issue is unlikely to remedy or obtain a waiver of that breach) any material obligations owed to any of its debt financiers under the Indenture or the SFA (or any other borrowing facilities exceeding in aggregate £5 million or any secured facility in circumstances where by the Bidco Board (acting reasonably in consultation with the CEO) determines that any security over the assets of the Group is likely to be enforced) or (except where it is dormant or of immaterial economic value in the context of the Group as a whole) is insolvent or likely imminently to become insolvent;

Employee: an individual who is employed by, or is a director of, any member of the Group or an individual whose services are otherwise made available to any member of the Group (and "**employment**" and "**employer**" shall be construed accordingly to include or refer to such an arrangement);

Encore Group: Encore Capital Group, Inc. and its subsidiary undertakings (including, immediately following Completion, Investorco);

[***] 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.

Equity Shares: Securities which if the Companies Act 2006 applied to the Company would be equity share capital for the purposes of section 548 that Act;

Excluded Transfer: any transfer made under paragraphs 2.4.1 to 2.4.3 (inclusive) of schedule 4;

Family Members: in relation to any person, the spouse or civil partner, parents and every child and remoter descendant of that person and/or that spouse and/or either such parent (including stepchildren and adopted children);

Family Trust: in relation to any person, trusts established by that person in relation to which such person and/or Family Members of that person are the principal beneficiaries thereof;

Flotation: the effective admission of all the Shares (or the shares of any holding company of the Company or other member of the Group (excluding Investorco and its holding companies)) to listing on a recognised investment exchange;

Good Leaver: an Employee who ceases to be an Employee (whether prior to or after Completion) in any of the following circumstances:

(i) death;

(ii) ill health preventing him from performing his duties as an Employee or permanent disability or incapacity;

(iii) compulsory retirement;

(iv) as a result of the sale of the Group Company or business of a Group Company by or in which he is employed,

or otherwise where it is determined by the Remuneration and Nomination Committee (with Investor Consent) that an Employee who would otherwise be a Bad Leaver or an Intermediate Leaver is to be treated as a Good Leaver (which may be so determined in respect of all or some only of the Sale Shares held by him and/or his Related Parties);

Group: the Company and its subsidiary undertakings from time to time, or any of them as the context requires and "Group Company" shall be construed accordingly;

Holding Companies: the Company, UK Holdco, UK Midco and Bidco;

Indenture: as defined in the Acquisition Agreement;

Initial Core Managers: the persons whose names and addresses are set out in columns 1 and 2 of part 1 of schedule 1;

Initial Investors: Encore, JCF and Investorco;

Intellectual Property: patents, petty patents, utility models, registered designs, design right, topography rights, copyright, database right, trade marks, service marks, trade or business names, domain names, get-up or trade dress, inventions or secret processes, know-how and all rights or forms of protection of a similar nature or effect subsisting anywhere in the world, including applications for any such right;

Intermediate Leaver: an Employee who ceases to be an Employee (whether prior to or after Completion) and who is not a Bad Leaver or a Good Leaver or otherwise where it is determined by the Remuneration and Nomination Committee (with Investor Consent) that an Employee who would otherwise be a Bad Leaver is to be treated as an Intermediate Leaver (which may be so determined in respect of all or some only of the Sale Shares held by him and/or his Related Parties);

Investor Affiliate: in the case of an Investor, any person to whom an Investor is entitled to transfer Securities pursuant to paragraphs 2.4.2 or 2.4.3 of schedule 4 or, in the case of an Investorco Investor, any person to whom it would be entitled to make such a transfer if it was an Investor holding Securities;

Investor Consent: the prior written consent of the Investor Majority;

Investor Directors: the directors of Bidco from time to time appointed pursuant to clause 3.3;

Investor Majority: A Shareholders holding in excess of 75% of the A Shares then in issue;

Investorco Investors: Encore, JCF Luxco and any person who executes a Deed of Adherence as an Investorco Investor in accordance with clause 19.1 on a transfer or issue to it of Investorco Securities as permitted by this agreement;

Investorco Securities: the E shares and J shares in the capital of Investorco, the E bridge preferred equity certificates, J bridge preferred equity certificates, E preferred equity certificates and J preferred equity certificates issued by Investorco and any shares, preferred equity certificates or other securities of Investorco;

[***]

Investors: the Initial Investors and any person who executes a Deed of Adherence as an Investor in accordance with clause 19.1 on a transfer or issue to it of Securities as permitted by this agreement;

Issue Notice: as defined in clause 5.3.2;

ITEPA 2003: the Income Tax (Earnings and Pensions) Act 2003;

Luxco Articles: the articles of association of the Company in the Agreed Form marked "D" adopted on Completion in accordance with clause 2.1, as from time to time amended or replaced in accordance with this agreement;

Luxco Board: the board of directors of the Company from time to time;

Management Charge: any monitoring or management or similar fee or charge, by whatever name called;

Manager Majority: Managers on behalf of whom the Manager Nominee holds as nominee in excess of 40% of the C Shares then in issue which are not held by the EBT;

Managers: the Initial Managers and any other person who executes a Deed of Adherence as a Core Manager, a Senior Manager or a Manager in accordance with clause 19.1;

Manager Consent: the prior written consent of a Manager Majority;

Manager Declaration: the declaration to be completed by each of the Initial Managers on Completion in accordance with the Subscription Agreement or to be completed by a New Securities Holder in accordance with clause 19.1 in the Agreed Form marked "B";

Manager Nominee Agreement: the nominee agreement entered into by each of the Initial Managers and the EBT and the Manager Nominee on Completion or to be entered into by a New Securities Holder and the Manager Nominee in accordance with clause 19.1 in the Agreed Form marked "C";

[***] 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.

Minority Shareholder: each holder of Securities (including the Manager Nominee) other than (i) the holders of the Specified Securities and (ii) the members of the Relevant Transferee's Group;

Minority Securities: the Securities held by a Minority Shareholder;

New Securities: as defined in clause 5.1;

Original A Shares:

(i) the A Shares issued to the Original Investors on the Original Completion Date; and

(ii) the A Shares issued under the Bridge PEC Conversion Provisions or (prior to implementation of the Bridge PEC Conversion Provisions) the A Shares which would be in issue (assuming no redemption of Bridge PECs within the Redemption Period) if the relevant principal amount of all of the Bridge PECs originally issued was applied under the Bridge PEC Conversion Provisions in subscribing for A Shares;

Original Completion Date: 15 May 2013;

Original Investment Agreement: the investment agreement relating to the Company dated 15 May 2013 between the Original Investors (1), the Initial Managers (2), the EBT (3), the Manager Nominee (4) and the Holding Companies (5);

Original Investors: JCF and JCF Luxco;

Parties: the parties to this agreement from time to time (whether by virtue of having executed this agreement or having entered into a Deed of Adherence) and "**Party**" shall be construed accordingly;

Patient: a person who lacks capacity as defined in s.2 Mental Capacity Act 2005;

PECs: the Bridge preferred equity certificates, A preferred equity certificates and B preferred equity certificates constituted by the PEC Instruments and issued by the Company and references to "**Bridge PECs**", "**A PECs**" and "**B PECs**" shall be construed accordingly;

PEC Instruments: the preferred equity certificate instruments constituting the PECs entered into by the Company on the Original Completion Date in accordance with the Subscription Agreement, and references to "**Bridge PEC Instrument**", "**A PEC Instrument**" and "**B PEC Instrument**" shall be construed accordingly;

Prescribed Consideration: as provided in paragraph 6 of schedule 4;

Prescribed Price: as determined pursuant to paragraph 3.2 of schedule 4;

Protected Business:

(i) as at any date before his Cessation Date whilst a Manager is an Employee, any business carried on by a Group Company at or during the twelve months preceding that date; and

(ii) as at the Cessation Date of a Manager, any business carried on by a Group Company at the Cessation Date or during the twelve months preceding that Cessation Date,

but only (except in the case of a Senior Manager) where the Manager carried out material duties as part of that business at any time during the applicable twelve month period;

Ratchet Provisions: the provisions of clause 15.8 and schedule 6 and equivalent provisions in the Luxco Articles;

Realisation: a Flotation, a Sale or the liquidation of the Company;

Redemption: the redemption by the Company of 24,603,645 Bridge PECs with a par value of £1 each held by JCF Luxco on or prior to 30 August 2013 in accordance with the Redemption Agreement;

Redemption Agreement: the redemption agreement entered into between the Company and JCF Luxco on 28 June 2013;

Redemption Period: as defined in clause 7.1;

Related Party: in respect of:

(i) any individual:

  (a) any Family Member of that individual;

  (b) the trustee(s) of a Family Trust of that individual;

  (c) the personal representatives of that individual, or of any Family Member of that individual; or

  (d) any nominee of the individual or any of the persons in (i) (a) to (c) above;

(ii) any Investor or Investorco Investor:

  (a) any Investor Affiliate of that Investor or Investorco Investor;

  (b) any person connected with that Investor or Investorco Investor or with whom the Investor or Investorco Investor or any Investor Affiliate of it is acting in concert (as defined in The City Code on Takeovers and Mergers); or

  (c) any nominee of the Investor or Investorco Investor or any of the persons in (ii) (a) or (b) above;

Relevant Proportion: in relation to any Securities Holder, the proportion which that Securities Holder's existing holding of Eligible Equity Shares bears to all the Eligible Equity Shares in issue;

Relevant Securities: any Securities originally transferred or issued to a Family Member of an Employee or to the trustees of a Family Trust of an Employee and any additional Securities issued or transferred to such person or persons by reference to those original Securities;

Relevant Investorco Transfer: a transfer by a holder of Investorco Securities of any Investorco Securities other than a transfer to an Investor Affiliate of such holder or a transfer permitted by clause 16.5;

Relevant Transfer: a transfer by Investors and/or Related Parties of any Investor of A Shares and/or A PECs to a Relevant Transferee other than an Excluded Transfer;

Relevant Transferee: a person to whom Specified Securities are proposed to be transferred pursuant to a Relevant Transfer;

Relevant Transferee's Group: the Relevant Transferee together with any person to whom the Relevant Transferee is connected or with whom he is acting in concert (as defined in The City Code on Takeovers and Mergers);

Remedial Action: the taking of any steps which the Bidco Board (acting reasonably, with Investor Consent and in consultation with the CEO) considers necessary to cure or mitigate the circumstances which have given rise to a subsisting Emergency Situation;

Remuneration and Nomination Committee: the remuneration and nomination committee of the Bidco Board constituted in accordance with clause 3.9;

Rescue Issue: an issue of New Securities to cure an Emergency Situation which in the opinion of Bidco Board (acting reasonably with Investor Consent) is capable of remedy by the issue of such New Securities;

Respondent: a Manager against whom a Claim has been brought;

Restricted Client: any person who, on the Cessation Date or at any time during the 12 month period immediately prior to the Cessation Date, was (i) a client or customer of any Group Company or (ii) a prospective client or customer of any Group Company with whom the Manager shall have had business dealings in his capacity as an Employee in the 12 month period prior to the Cessation Date;

Restricted Employee: any individual who is a Senior Employee or director of any Group Company;

Restricted Territory: the United Kingdom of Great Britain and Northern Ireland, the Republic of Ireland or any other territory in which any Group Company conducts any material business at the Cessation Date or conducted any material business in the 12 month period immediately prior to the Cessation Date;

Rollover Investment Agreement: the agreement entered into on the Original Completion Date between each of the Holding Companies (1), the Manager Nominee (2) and the Rollover Managers (as defined therein) (3);

Sale: the sale of at least 90% in number of the issued Shares to a single purchaser (or to one or more purchasers as part of a single transaction or series of related transactions);

Sale Shares: as defined in paragraph 3.1 of schedule 4;

Securities: Shares, PECs or other equity or debt securities issued by any Group Company and (unless clearly inconsistent in the context) all options and other rights to acquire any of the same;

Senior Employee: an Employee whose remuneration entitlement in that capacity (including all sums payable by way of fees, salary, bonus, commission, pension contributions, benefits in kind and all items of value received by any person on his behalf or for his benefit) is at least £100,000 per annum;

Senior Managers: the Managers whose names and addresses are set out in columns 1 and 2 of parts 1 and 2 of schedule 1 and any other person who executes a Deed of Adherence as a Core Manager or Senior Manager in accordance with clause 19.1;

Service Agreement: in relation to an Employee, the employment agreement, appointment letter or agreement for services of that Employee with a Group Company;

Settled Claim: a Claim:

(i) which is settled in a quantified financial amount by written agreement between the Claimant and the Respondent;

(ii) in respect of which the Respondent has acknowledged in writing that he accepts liability and the quantum of such liability; or

(iii) which is the subject of a judgment or award in a quantified financial amount made by a court or arbitration tribunal of competent jurisdiction which has not been appealed and from which there is no further right of appeal;

SFA: as defined in the Acquisition Agreement;

Shareholders: the holders of Shares;

Shares: shares in the capital of the Company, from time to time;

Specified Securities: the A Shares and/or A PECs which Investors and/or Related Parties of any Investor propose to transfer pursuant to a Relevant Transfer;

Subscription Agreement: the agreement entered into between each of the Holding Companies (1), the Manager Nominee (2), the New Subscribers (as defined therein) (3) and the Reinvesting Subscribers (as defined therein) (4) providing for the subscription and issue of certain Securities in the Holding Companies dated 13 April 2013, as amended by a letter agreement entered into between the same parties on the Original Completion Date;

Syndication: the transfers of (i) all the Securities (save for 24,603,645 Bridge PECs with a par value of £1 each) held by JCF Luxco to Investorco and Encore and (ii) 50.1% of the issued share capital of Investorco from JCF Luxco to Encore, in each case pursuant to the Syndication Documents;

Syndication Completion: completion of the Syndication pursuant to the Syndication Documents;

Syndication Documents:

(i) the notarial deed of a meeting of the sole shareholder of Investorco dated 28 June 2013;

(ii) the subscription agreement relating to certain preferred equity certificates issued by Investorco dated 28 June 2013 between Investorco and JCF Luxco;

(iii) the transfer agreement relating to the transfer of certain Investorco Securities and Securities dated on or around the date of this agreement between JCF Luxco (1), Encore (2), Investorco (3) and the Company (4); and

(iv) the securities purchase agreement dated 29 May 2013 between JCF Luxco and Encore Capital Group, Inc. (as amended by an agreement dated or around the date of this agreement),

and any additional shareholder resolutions, notices and certificates ancillary thereto as may be required under applicable Luxembourg law in connection with the Syndication;

[***]

[***]

Transaction Documents: this agreement, the documents in the Agreed Form and the other documents referred to in them (including the Acquisition Agreement and the Warranty Deed);

Valuer: an experienced independent valuer nominated by the President from time to time of the Institute of Chartered Accountants in England and Wales;

Vested Percentage: as determined pursuant to paragraph 3.1.2 of schedule 4; and

Warranties: the warranties set out in schedule 5.

1.3 In this agreement, unless otherwise specified:

[***] 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.

1.3.1 any reference to any statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, whether before, on, or after the date of this agreement;

1.3.2 any reference to any legislation (whether of the United Kingdom or elsewhere) including to any statute, statutory provision or subordinate legislation ("Legislation") includes a reference to that Legislation as from time to time amended or re-enacted, whether before, on, or after the date of this agreement, except to the extent that any amendment or re-enactment coming into force, or Legislation made, on or after the date of this agreement would create or increase the liability of any Party;

1.3.3 any reference to re-enactment includes consolidation and rewriting, in each case whether with or without modification.

1.4 In this agreement (unless the context requires otherwise):

1.4.1 words and expressions which are defined in the Companies Act 2006 and which are not otherwise defined in this agreement shall have the same meanings as are given to them in that Act;

1.4.2 any question as to whether a person is connected with any other person shall be determined in accordance with the provisions of ss.1122-1123 Corporation Tax Act 2010;

1.4.3 any gender includes a reference to the other genders;

1.4.4 any reference to "**subsidiary**" means a "subsidiary" as defined in s.1159 Companies Act 2006 save that a company shall be treated, for the purposes only of the membership requirement contained in ss.1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or that person's nominee), whether by way of security or in connection with the taking of security, or (b) its nominee;

1.4.5 any reference to "**persons**" includes natural persons, partnerships, companies, bodies corporate, associations, organisations, governments, states, foundations and trusts (in each case whether or not having separate legal personality);

1.4.6 "**directly or indirectly**" means (without limitation) either alone or jointly with any other person and whether on his own account or in partnership with another or others or as the holder of any interest in or as officer, employee or agent of or consultant to any other person;

1.4.7 "**recognised investment exchange**" means an investment exchange in respect of which a recognition order has been made under s.290 Financial Services and Markets Act 2000;

1.4.8 "**third party**" shall mean any person other than the Parties;

1.4.9 any reference to a "**transfer**" of a Security or Investorco Security shall, unless the context otherwise requires, include:

1.4.9.1 a sale or disposal of any legal or equitable interest in a Security or Investorco Security and the creation of any charge, mortgage or other encumbrance over any interest in a Security or Investorco Security, whether or not by the member registered as the holder of that Security or Investorco Security; and

1.4.9.2 any renunciation or other direction by a person entitled to an allotment, issue or transfer of Securities or Investorco Securities that such Securities or Investorco Securities be allotted, issued or transferred to another person,

and any reference to the "**transfer**" of any Shares:

1.4.9.3 by any Manager or the EBT shall mean a transfer of its beneficial interest in the Shares held on its behalf by the Manager Nominee under a Manager Nominee Agreement; and

1.4.9.4 to any Manager or the EBT shall mean a transfer of the beneficial interest in such Shares to the relevant Manager or EBT and (to the extent required) a transfer of the legal title to such Shares to the Manager Nominee to be held on the terms of a Manager Nominee Agreement;

1.4.10 any reference to the "**holder**" of any Share shall, as the context requires, refer to both the Manager Nominee as the holder of legal title to the relevant Share and a Manager or the EBT as the beneficial owner of such Share under the relevant Manager Nominee Agreement and references to "**holding**", "**to hold**" or "**held**" shall be construed accordingly;

1.4.11 any reference to a "**director**" shall, in the case of a body corporate incorporated in Luxembourg in the form of a *société à responsabilité limitée* (including the Company) mean a manager (gérant) of such body corporate;

1.4.12 any reference to an "**interest**" in the context of any transfer of Shares shall include any interest in shares as defined by s.820 of the Companies Act 2006;

1.4.13 any reference to an "**institutional investor**" shall be to an investor which is a fund or body corporate a material part of the business of which is the investment in private equity or debt securities or similar investments for investment purposes only and without day to day participation in the day to day management or operation of the underlying business;

1.4.14 any reference to the background section, a clause or schedule is to the background section, a clause or schedule (as the case may be) of or to this agreement;

1.4.15 any reference to any other document is a reference to that other document as amended, varied, supplemented, or novated (in each case, other than in breach of the provisions of this agreement) at any time;

1.4.16 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and

1.4.17 any reference to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term.

1.5 The table of contents and clause headings contained in this agreement are included for convenience only and do not affect the interpretation of this agreement.

2 **Completion**

2.1 Completion shall take place on the Completion Date immediately following Syndication Completion when the Parties shall procure that the Luxco Articles shall be adopted as the articles of association of the Company.

2.2 The provisions of this agreement (other than this clause 2 and clauses 1 (*Definitions* and *interpretation*), 23 (*General*),24 (*Notices*) and 25 (*Governing law and jurisdiction*)) shall be conditional upon and not take effect until Syndication Completion and Completion shall have occurred in accordance with clause 2.1.

2.3 The Parties consent for all purposes (including to the extent required under the Original Investment Agreement) to the Syndication on the terms of the Syndication Documents and the Redemption on the terms of the Redemption Agreement.

2.4 Following Completion in accordance with this clause 2, the Initial Managers and the EBT shall hold the Securities set out opposite their respective names in schedule 1 (or, in the case of Shares, the Manager Nominee shall hold such Shares on their behalf) and the Initial Investors shall hold the Securities set out opposite their respective names in schedule 2.

3 **Corporate governance**

3.1 Except with Investor Consent, Bidco shall procure that at least one meeting of the Bidco Board shall be held every two months at Bidco's registered office.

3.2 The Parties will procure (in each case to the extent they are able) that the CEO is appointed to the Bidco Board at all times.

3.3 The Investor Majority shall have the right at any time and from time to time to appoint any number of director(s) to the Bidco Board. Any such appointment shall be made by notice in writing to Bidco from the Investor Majority and the Investor Majority may in like manner at any time and from time to time remove from office any director appointed pursuant to this clause and appoint any person in place of any director so removed or dying or otherwise vacating office. The Investor Directors shall be entitled to be appointed to any committee of the Bidco Board or the board of directors of any other Group Company (or any committee of such boards).

3.4 Bidco shall at all times during which there is no Investor Director in office permit one representative designated by the Investor Majority to attend, as an observer, and to speak (but not vote) at all meetings of the Bidco Board or of a committee of the Bidco Board or of a meeting of the directors (or committees thereof) of any member of the Group. Such observer will be entitled to receive and retain all written materials and other information given to directors in connection with such meetings at the same time as those materials or information are given to the directors of the company in question. Such observer shall have the same rights and restrictions as does an Investor Director in relation to the passing of information to his appointees. Bidco shall reimburse such observer all expenses properly incurred by him in connection with attending the meetings referred to in this clause.

3.5 Bidco shall cause any one of the non-executive directors of Bidco who may from time to time be nominated in writing by the Investor Majority to be appointed Chairman and shall cause any such director to be removed from office as Chairman on receipt of a written request from the Investor Majority so to do.

3.6 The Investor Majority shall consult with the CEO regarding the identity of any proposed Chairman and any other non-executive directors appointed to the Bidco Board (other than the Investor Directors).

3.7 The non-executive directors (including the Chairman and the Investor Directors) shall receive such remuneration for their services as the Remuneration and Nomination Committee shall determine (provided that the Investor Directors shall not receive

remuneration in excess of any fee paid to any other non-executive director who is not an Investor Director). Bidco shall reimburse the non-executive directors (including the Investor Directors) all expenses properly incurred by them or their alternates in connection with the business of the Group.

3.8 Bidco shall send to each of its directors:

3.8.1 not less than five Business Days' clear notice of each meeting of the board or committee of the board of directors of any Group Company to which such director has been appointed and an agenda of the business to be transacted at the meeting (together with all papers to be circulated or presented to it), although meetings may be held on a shorter period of notice with Investor Consent; and

3.8.2 as soon as practicable after each such meeting a draft of the minutes of such meeting (together with all papers referred to in them).

3.9 The Bidco Board shall form and maintain an Audit Committee and a Remuneration and Nomination Committee having the following membership and duties:

3.9.1 the membership of the Audit Committee and the Remuneration and Nomination Committee shall be determined by the Bidco Board (with Investor Consent), provided that:

3.9.1.1 a member of the Remuneration and Nomination Committee shall withdraw from any meeting while his own remuneration is considered and no resolution of the Remuneration and Nomination Committee shall be passed without Investor Consent;

3.9.1.2 at least one Investor Director shall at all times be appointed as chairman of the Remuneration and Nomination Committee;

3.9.2 the Audit Committee shall review the accounting policies and procedures of the Group, its internal financial control systems and its compliance with statutory requirements and shall consider any matter raised by the Group's external and internal auditors; and

3.9.3 the Remuneration and Nomination Committee shall consider and make recommendations to the Bidco Board on:

3.9.3.1 the remuneration of all directors of Bidco (including the Investor Directors) and the appointment or dismissal of all directors of Bidco (other than the Investor Directors); and

3.9.3.2 the terms of appointment or dismissal and the remuneration of Senior Employees who are not directors of Bidco.

3.10 No person who is not a Party shall be appointed as a director of Bidco unless the proposed director shall first have undertaken to the Parties that (subject to clause 23.3) he will procure that Bidco complies with its obligations under this agreement.

4 Rights of Securities

4.1 The Company will treat the holders of the A Shares, B Shares and C Shares on a *pari passu* basis as regards all payments of dividend and/or redemption monies and/or by way of return of capital or assets in respect thereof *pro rata* to the number of A Shares, B Shares and C Shares held by the holders thereof respectively without discrimination, save as expressly provided herein (including the C Share Conversion Provisions and the Ratchet Provisions) and in the Luxco Articles.

4.2 All Securities issued pursuant to this agreement shall rank pari passu with the other Securities of the same class so issued.

5 **Issue of Securities**

5.1 Each of the Holding Companies shall not, and shall procure that no other Group Company shall, allot or issue any new Securities ("**New Securities**") other than to another Group Company except in accordance with this clause 5 and clause 19 and with Investor Consent.

5.2 No Group Company shall allot or issue New Securities without Manager Consent unless:

5.2.1 the New Securities proposed are issued (i) on substantially the same economic terms as the A Shares and B Shares and/or A PECs and B PECs issued at Completion and (ii) in the same proportion of A Shares and B Shares to A PECs and B PECs as were issued at Completion, as such proportion may be adjusted as a result of (a) the operation of C Share Conversion Provisions and/or (b) the issue of New Securities in the circumstances contemplated by clauses 5.2.2 and/or 5.2.3;

5.2.2 the issue is a Rescue Issue;

5.2.3 the issue is on terms that the Bidco Board (acting reasonably) resolves are the best terms reasonably obtainable in all the circumstances at the time of the issue; or

5.2.4 the issue is to give effect to the Bridge PEC Conversion Provisions.

5.3 Save as provided in clause 5.4, if a Group Company proposes to issue New Securities to any person:

5.3.1 the Company shall procure that each existing holder of Eligible Equity Shares (each a "**Securities Holder**") shall have the right to subscribe for the New Securities on the same terms and in his Relevant Proportion at the date of the Issue Notice;

5.3.2 the Company shall serve a notice (an "**Issue Notice**") on each Securities Holder specifying:

5.3.2.1 the terms of the issue of New Securities, including the issue, exercise or conversion price (if applicable) for each New Security (or the means by which the price will be calculated);

5.3.2.2 the total number of New Securities to be issued;

5.3.2.3 the date on which subscription monies for the New Securities shall be paid to the issuing Group Company (such date not to be less than 10 Business Days after the issue of the Allocation Notice referred to below); and

5.3.2.4 the number of New Securities for which the relevant Securities Holder may subscribe;

5.3.3 within 15 Business Days after the date of any Issue Notice (the "**Take-Up Deadline**"), a Securities Holder may exercise its right to subscribe for the New Securities by giving written notice to the Company of (i) the number of New Securities for which it wishes to subscribe and (ii) whether it wishes to subscribe for New Securities in excess of his Relevant Proportion in circumstances where other Securities Holders do not exercise their right to subscribe for New Securities and the maximum number of New Securities for which it wishes to subscribe in these circumstances, provided that, if a Securities Holder has not given notice before the Take-Up Deadline, the

Securities Holder shall have no further right to subscribe for the New Securities under this clause 5 unless the Bidco Board (with Investor Consent) otherwise approves;

5.3.4 as soon as reasonably practicable and in any event within five Business Days after the Take-Up Deadline, the Company shall send to each Securities Holder a notice (an "**Allocation Notice**") setting out the number of New Securities that each Securities Holder is entitled to subscribe for, on the basis that if the Company has received notices from Securities Holders exercising a right to subscribe for:

5.3.4.1 New Securities which are equal to or less than the total number of New Securities referred to in the relevant Issue Notice, then the relevant Group Company may issue to such Securities Holder the number of New Securities that the Securities Holder has offered to subscribe for; or

5.3.4.2 more New Securities than the total number of New Securities referred to in the relevant Issue Notice than such Securities Holder is entitled to acquire, then the relevant Group Company may issue to such Securities Holder the lesser of (i) the number of New Securities which it has offered to acquire and (ii) its Relevant Proportion of the New Securities, provided that any remaining New Securities that have not been allocated shall be allocated to Securities Holders exercising a right to subscribe but who have not yet been allocated all the New Securities for which they give notice that they wish to subscribe under clause 5.3.3 in their Relevant Proportions until all the New Securities in respect of which a right to subscribe has been exercised are allocated, provided that:

(i) no Securities Holder shall be allocated in aggregate more New Securities than if exercised a right to subscribe for under clause 5.3.3; and

(ii) the total number of New Securities allocated shall not exceed the total number of New Securities proposed to be issued as set out in the Issue Notice;

5.3.5 each Securities Holder who has exercised its right to subscribe for New Securities shall pay to the issuing Group Company the subscription monies for the New Securities allocated to it in accordance with clause 5.3.4 by the date set out in the Issue Notice;

5.3.6 subject to the receipt of the subscription monies, the Company shall procure that the relevant Group Company shall issue the relevant New Securities to the relevant Securities Holders and issue share certificates (where relevant) and update the register of members for the New Securities so subscribed for by the existing Securities Holders; and

5.3.7 the relevant Group Company may issue any New Securities that are not subscribed for by the Securities Holders in accordance with this clause 5.3 to any person or persons determined by the Bidco Board (with Investor Consent) within three months after the Take-Up Deadline:

5.3.7.1 for an issue price per New Security not less than the price specified in the Issue Notice; and

5.3.7.2 on terms not more beneficial to the subscriber as reasonably determined by the Bidco Board (with Investor Consent) than those set out in the Issue Notice.

5.4 The Company may issue New Securities without following the pre-emption procedure in clause 5.3:

5.4.1 without prejudice to clause 5.5, if such issue is a Rescue Issue; or

5.4.2 with Manager Consent; or

5.4.3 to give effect to the Bridge PEC Conversion Provisions.

5.5 Subject to clause 5.6, within five Business Days following a Rescue Issue, the Company shall serve an Issue Notice (a "**Catch Up Notice**") on each of the Securities Holders (other than any Securities Holder which subscribed for New Securities as part of the Rescue Issue) and the provisions of clause 5.3 shall apply *mutatis mutandis* with the necessary amendments (as reasonably determined by the Bidco Board) such that each such Securities Holder has the opportunity to subscribe for New Securities of the same class or type (at the same price and on the same other terms) as the Rescue Issue such that, if that opportunity is taken up in full, its Relevant Proportion will remain the same as before the Rescue Issue.

5.6 If the holders of a majority in number of the Eligible Equity Shares entitled to be issued with Catch Up Notices under clause 5.5 so elect by written notice given to the Company within five Business Days of the issue of the Catch Up Notice, the procedures outlined in clause 5.5 shall be appropriately adjusted (as reasonably determined by the Bidco Board) so that no further New Securities shall be issued and each of the Securities Holders (other than any Securities Holder which subscribed for New Securities as part of the Rescue Issue) shall be entitled to purchase the New Securities issued as part of the Rescue Issue from the Securities Holders who subscribed for them (so far as possible, without involving sales of a fraction of a share, pro rata to the numbers of New Securities subscribed by them respectively). In this event the New Securities to be purchased shall be sold to the purchasing Securities Holders free from all encumbrances and with full title guarantee and the selling Securities Holders shall execute and deliver all such documentation as shall be reasonably required for that purpose, subject to payment of the purchase price for the New Securities to be sold by them respectively. The purchasing Securities Holders shall bear the costs of any stamp duty or equivalent transaction tax or duty arising on such transfers. Each Party consents to any transfer of Securities under this clause 5.6 and waives any rights of pre-emption he may have in relation thereto.

6 Transfer of Securities

6.1 Each of the Parties undertakes severally with the other Parties and the Company not to transfer any Securities of which it is the legal or beneficial owner other than in accordance with the provisions of clause 19 and schedule 4.

6.2 Each of the Parties shall promptly exercise such voting rights in the Company as it may have for the purposes of providing any required shareholder resolution under the Luxco Articles or otherwise to give effect to the provisions of this clause 6 and schedule 4.

6.3 If at the time of a proposed Realisation there are any Securities held by the EBT which the EBT has not agreed to use to satisfy awards to specified beneficiaries, to the extent not required to be sold by the EBT as part of the Realisation in order to repay all loans (together with all accrued but unpaid interest thereon) advanced to the EBT by the Group (including pursuant to the EBT Loan Agreement (as defined in the Subscription Agreement)) which cannot be waived without adversely affecting the Realisation Value, the Investors and the Managers shall use all reasonable endeavours to procure that those unallocated Securities are, subject to the receipt by the EBT of nominal consideration, transferred by the EBT (which hereby agrees to do so) to and between such holders of Shares then in issue who are beneficiaries under the EBT, as the Remuneration and Nomination Committee shall in its discretion decide (which Bidco shall procure it shall duly exercise to give effect to this clause).

6.4 Where a holder of A Shares or B Shares or C Shares is to transfer or be required to transfer some but not all of them, the transfer shall so far as possible be in pro rata strips of the Shares of each sub-series of the class held.

7 **Bridge PEC conversion and C Share conversion**

7.1 The Bridge PECs may be redeemed in accordance with their terms during the period commencing on Completion and ending on 14 June 2014 (the "**Redemption Period**").

7.2 Within ten Business Days following the expiry of the Redemption Period, the Company shall procure that the Bridge PECs outstanding (if any) shall be dealt with as follows:

7.2.1 1.36557% of their principal amount shall be applied in subscribing for new A Shares at £0.38275 per share and the interest accrued but unpaid on that amount shall be paid in cash to the holders of the principal amount of Bridge PECs so applied;

7.2.2 the balance in principal amount shall be re-designated into A PECs and the accrued unpaid interest thereon shall roll forward as an entitlement of the A PECs so created;

7.2.3 the subscriptions and re-designations referred to above shall be effected between the holders of the Bridge PECs concerned as nearly as may be pro rata to their respective holdings of principal amount of Bridge PECs, as reasonably determined by the Bidco Board;

7.2.4 each holder of Bridge PECs shall execute and deliver such documents and things as may be necessary or reasonably required by the Company to give effect to the provisions of this clause 7.2;

7.2.5 the Company shall execute and deliver such documents and things as may be necessary or reasonably required to give effect to the provisions of this clause 7.2;

7.2.6 the A Shares to be issued under this clause 7.2 shall be issued in separate pro rata series A1 to A10 form in the same proportions as nearly may be as the issued A Shares of those sub series bear to each other respectively at the time of their issue; and

7.2.7 the new A Shares of each series and A PECs to be issued or created as provided in this clause 7.2 shall rank *pari passu with the other A Shares of the same series and A PECs already in issue.*

7.3 Within ten Business Days following the expiry of the Redemption Period, the Company shall procure that:

7.3.1 such number of C Shares shall be re-designated into D Shares, so that the number of C Shares in issue following such re-designation shall constitute 12% of the aggregate number of A Shares, B Shares and C Shares issued at Completion in accordance with the Subscription Agreement and Rollover Investment Agreement or under the Bridge PEC Conversion Provisions (but excluding any other such Shares issued following Completion);

7.3.2 the re-designations referred to above shall be effected between the holders of the C Shares as nearly as may be to their respective holdings of each series of C Shares, as reasonably determined by the Bidco Board;

7.3.3 each Shareholder shall execute and deliver such documents and things as may be necessary or reasonably required by the Company to give effect to the provisions of this clause 7.3; and

7.3.4 the Company shall execute and deliver such documents and things as may be necessary or reasonably required to give effect to the provisions of this clause 7.3.

8 **Information rights**

8.1 The Company shall provide the following information to the members of the Bidco Board, the Investors and the Investorco Investors:

8.1.1 not later than three weeks prior to the commencement of each financial year of the Company, a detailed operating plan, management commentary and a profit and loss budget and forecast balance sheet, capital expenditure budget and cash flow forecast for the Group in respect of that financial year in such form and detail as the Investor Majority shall reasonably require and in the form submitted to the Bidco Board for approval;

8.1.2 not later than three weeks after the end of each month, a consolidated profit and loss account, balance sheet and cash flow statement of the Group for that month in such form and detail as the Investor Majority may reasonably require and incorporating:

8.1.2.1 a breakdown of turnover and profits by trading activity;

8.1.2.2 a comparison of actual to budgeted results and a commentary thereon; and

8.1.2.3 (if so requested by the Investor Majority) revised forecasts of turnover and profits for the remainder of the financial year;

8.1.3 not later than three months after the end of each financial year of the Company, the audited consolidated profit and loss account, balance sheet and cash flow statement of the Group for that financial year (together with the notes to, and the reports of the directors and auditors on, such accounts); and

8.1.4 such further financial and other information relating to the Group and in a form as the Investor Majority may reasonably require.

8.2 Any costs incurred by any member of the Group in implementing the procedures and systems necessary to ensure the compliance with any member of the Encore Group's obligations under Section 404 of the Sarbanes-Oxley Act, any other relevant United States securities law or regulation, and United States public company accounting and financial reporting requirements shall be reimbursed by Encore, provided that Encore shall only be required to reimburse such costs to the extent that they are incremental to costs relating to the procedures and systems that the relevant member of the Group would otherwise be required to implement on its own.

8.3 Any costs incurred by any member of the Group in preparing information necessary to ensure the compliance of J.C. Flowers & Co. LLC or any of its subsidiaries with its fund reporting obligations shall be reimbursed by J.C. Flowers & Co. LLC, provided that J.C. Flowers & Co. LLC shall only be required to reimburse such costs to the extent that they are incremental to costs that the relevant member of the Group would otherwise be required to incur on its own.

8.4 If the Company shall fail to comply with its obligations under clause 8.1 and such breach is not remedied within 10 Business Days of written notice to the Company from an Investor Majority requiring such breach to be remedied and confirming that the rights under this clause 8.4 will be invoked if not, the Investor Majority shall be entitled (without prejudice to any other remedies or rights which the Investors may have in respect of that non-performance) to appoint (at the Company's expense) a firm of accountants to produce the information required. The Company shall provide and shall procure that all the relevant

Group Companies shall provide all information and assistance required by such accountants for such purpose.

8.5 If at any time the Company reasonably anticipates that any Group Company will deviate in any material respect from the Business Plan or Budget, it shall without delay notify the Investors in writing.

8.6 The provision of information to the Investor Directors on behalf of the Investors but otherwise in accordance with clause 8.1 shall satisfy the Company's obligations to provide information under clause 8.1 to the Investors unless an Investor shall give notice to the contrary.

8.7 Any person appointed an Investor Director or his alternate shall be entitled to pass to the Investors any information concerning the Group which may come into his possession through that appointment.

8.8 Each Party shall in all respects keep confidential and not at any time disclose or make known in any other way to anyone whatsoever (except as permitted by clause 8.7) or use for his own or any other person's benefit or to the detriment of any Group Company any Confidential Information provided that:

8.8.1 such obligation shall not apply to information which becomes generally known (other than through a breach by the Party in question of this clause);

8.8.2 any Party shall be entitled at all times to disclose such information as may be required by law or by any competent judicial or regulatory authority or by any recognised investment exchange or for tax or accounting purposes;

8.8.3 a member of the Group may use and make disclosure of Confidential Information in the ordinary course of business or to another member of the Group or as part of its reporting obligations under its borrowing arrangements from time to time;

8.8.4 an Investor may pass information received from the Company or the Investor Directors to:

8.8.4.1 on a confidential basis, any investment or other professional adviser engaged by the Investor so far as acting or advising in relation to that Investor's investment in the Company;

8.8.4.2 any potential purchaser of shares in or assets of the Company subject to such person having first been notified to the Bidco Board and executed a confidentiality undertaking in favour of the Company; and

8.8.4.3 on a confidential basis, its shareholders, limited partners or other investors, advisers or managers in the form in which it generally reports to such persons;

8.8.5 such obligation shall not apply to restrict a disclosure or use of Confidential Information in the proper enjoyment and bona fide enforcement of rights hereunder and/or under any other Transaction Document or (on a confidential basis) to professional advisers engaged to advise the disclosing Party in relation thereto for that purpose; or

8.8.6 such obligation shall not apply to restrict the disclosure or use of Confidential Information by a Manager in the proper course of performing his duties as an Employee.

8.9 The Company shall provide each Initial Core Manager, to the extent that he ceases to be an Employee but he or any Related Party of his retains any B Shares and/or B PECs, with (i)

information provided to the Investors pursuant to clause 8.1.3 and (ii) provided that the Initial Core Manager nor any Related Party of his carries on directly or indirectly or is employed or engaged by or is a director or consultant to or is in any way interested in or connected with any business carried on within any Restricted Territory which competes with any Protected Business (whether or not in breach of clause 11.2.1), the information provided to the Investors pursuant to clause 8.1.2 but on a quarterly basis and any information made available on any website of a Group Company (to which each Initial Core Manager shall be permitted due access) to holders of Bonds issued pursuant to the Indenture.

9 **Further obligations of the Company**

9.1 The Company shall (or shall procure that the relevant Group Company shall) (i) at all times observe and perform its obligations under, (ii) at all times enforce, and not release or waive the obligations of any of the other parties to, (iii) not make or agree to any alteration to the terms of, or (iv) not give any notice approval or consent under, the Acquisition Agreement, the Warranty Deed, the Indenture, the SFA, the PEC Instruments, the Service Agreements the Luxco Articles or the Bidco Articles unless Investor Consent has been given.

9.2 The Company shall procure that each other Group Company shall make such distributions or other payments to the Company as may be lawful and as may be necessary to enable the Company to pay the interest to be paid on the PECs and/or to redeem the PECs in accordance with their terms.

9.3 The Company shall do everything reasonably within its power to ensure that each Group Company shall at all times maintain proper and up-to-date accounting and financial control systems and records in relation to its business and affairs and that such records are available for inspection during normal business hours by the Investors (or by any person or persons authorised by the Investors for the purposes of monitoring their investment in the Group).

9.4 The Company shall do everything reasonably within its power to ensure that the business of each Group Company shall be managed and shall comply with all applicable laws, bye-laws, rules, regulations and codes of conduct and with the terms of any contract or agreement to which it is a party and that each Group Company shall maintain all licences, consents and authorisations which are required for the conduct of any such business from time to time.

9.5 The Company shall ensure each Group Company seeks to protect its rights in Intellectual Property including, amongst other things, registering such rights (where appropriate) and bringing proceedings for their infringement.

9.6 The Company shall:

9.6.1 insure the Group with an insurance office of repute and keep it so insured at all times against appropriate risks to the extent and in accordance with good commercial practice (such insurance to include cover (taken out through such broker and on such terms as an Investor Majority may reasonably require) against any liability of the directors of the Holding Companies or their respective alternates (where applicable) in the lawful performance of their respective duties and loss of profits insurance);

9.6.2 procure that the insurances maintained by the Group are reviewed by the Company's insurance brokers at least once in each calendar year and that all reasonable recommendations made by such insurance brokers in relation to such insurances are complied with;

9.6.3 not change the terms of any directors and officers liability insurance of the Group without Investor Consent; and

9.6.4 on request supply the Investors with a copy of the schedule of such insurances.

9.7 No claim may be brought against the Company by a Party for a breach of this clause 9 without Investor Consent.

10 **Restrictions on the Company**

10.1 Each Holding Company undertakes to the Investors that it shall procure that no resolution, decision or action shall be passed made or taken by any Group Company from time to time in relation to any of the matters referred to in schedule 3 without Investor Consent.

10.2 Each Holding Company undertakes to the Managers that it shall procure that no resolution, decision or action shall be passed made or taken by any Group Company from time to time:

10.2.1 for such time as a member of the Encore Group holds or owns (directly or indirectly) Securities constituting a material interest (being a Controlling Interest or an interest which would enable the Encore Group at its discretion to prevent an Investor Consent from being given), to acquire any material assets from or (except by way of distribution on a winding up of the Company consistently with the rights attaching to the Securities in respect of which the distribution is made) dispose of any material assets to any member of the Encore Group or Related Party thereof or enter into any commitment or arrangement to do so; or

10.2.2 to enter into, terminate or vary (in each case other than on arm's length terms with the approval of the Bidco Board acting reasonably) any contract, agreement or arrangement with an Investor or Investorco Investor or Related Party of an Investor or Investorco Investor or in which an Investor or Investorco Investor or Related Party of an Investor or Investorco Investor is otherwise interested (other than the termination or variation of this agreement, the PEC Instruments, the Luxco Articles and the Bidco Articles in accordance with clauses 21.5 and 22 or the termination or variation of the Acquisition Agreement or Warranty Deed in accordance with their respective terms); or

10.2.3 to waive or release any rights of a Group Company against an Investor or Investorco Investor or Related Party of an Investor or Investorco Investor,

in each case without Manager Consent save that this clause 10.2 shall not be construed to require Manager Consent in respect of matters specifically provided for in the Subscription Agreement, the Rollover Investment Agreement or clauses 2, 3, 5, 6, 7, 8, 9, 10.1, 11, 14, 15, 16, 21.5, 22, schedule 3 and schedule 4 of this agreement.

11 **Restrictions on the Managers**

11.1 Each of the Managers severally undertakes to the Company, for the benefit of each member of the Group, and to the Investors that, for so long as he is an Employee, he will observe the terms of his Service Agreement.

11.2 Each of the Managers covenants with, and for the benefit of, the Company, each Group Company and the Investors that, save with Investor Consent:

11.2.1 at any time while he is an Employee and for the period of 12 months after his Cessation Date, he will not directly or indirectly:

11.2.1.1 carry on or be employed or engaged by or be a director or consultant to or be in any way interested in or connected with any business carried on within any Restricted Territory which competes with any Protected Business, provided that this clause shall not prevent a Manager from being interested as a holder or beneficial owner solely for investment purposes of not more than 3% of any securities of any body corporate whose securities are listed, quoted or traded on any recognised investment exchange;

11.2.1.2 deal with or solicit business from any Restricted Client in competition with any Protected Business;

11.2.1.3 solicit the services of or endeavour to entice away from any Group Company or knowingly assist in, or procure, the employment by any other person of any Restricted Employee (whether or not such person would commit any breach of his contract of employment or engagement by reason of leaving the service of such Group Company); or

11.2.1.4 do or say anything which is intended by him to be harmful to the goodwill of any Group Company or which seeks to interfere with contractual or other trade relations between any Group Company and any of its customers or clients or suppliers;

11.2.2 at any time, save as required by applicable law or regulation or permitted by an exception in clause 8.8, he will:

11.2.2.1 not communicate or divulge to any person; and/or

11.2.2.2 not make use of,

any Confidential Information or any information not in the public domain concerning the business, finances or affairs of any Group Company's customers, clients or suppliers; or

11.2.3 for so long as it is used or registered in the name of any Group Company, use or apply to register on any public register any trade or business name used by any Group Company whilst he is an Employee or, after his Cessation Date, used by any Group Company during the period of two years prior to his Cessation Date (including in particular the names "Cabot", "Cabot Financial", "Apex" or "credit where its due" (whether alone or in conjunction with other names)) or any name similar to those names or likely to be confused with them.

11.3 The provisions of clause 11.2 are made for the benefit of each Group Company and the Investors, as an inducement to the investment by the Investors in the Company and as a constituent part of this agreement. Accordingly each of the Managers agrees that the restrictions contained clause 11.2 are reasonable and necessary for the protection of the legitimate interests of each Group Company and the Investors and that the restrictions do not work harshly on him. If any provision of clause 11.2 is nonetheless found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it valid.

12 Warranties

12.1 Each of the Managers severally warrants to the Investors that the Warranties are so far only as applicable to him true and accurate and not misleading at the Original Completion Date or, if later, the date on which he adheres to this agreement in accordance with clause 19.1.

12.2 The Warranties:

12.2.1 shall not in any respect be extinguished or affected by Completion; and

12.2.2 are separate and independent and, unless expressly provided to the contrary, are not limited or restricted by reference to or inference from the terms of any other provision of this agreement or any other Warranty.

12.3 None of the Warranties shall be, or shall be deemed to be, qualified, modified or discharged by reason of any investigation or inquiry made by or on behalf of the Investors and no information relating to the Acquired Group of which the Investors has knowledge (whether actual or constructive) shall prejudice any claim which the Investors shall be entitled to bring or shall operate to reduce any amount recoverable by the Investors under this agreement.

13 **Satisfaction of Claims**

13.1 Subject to clause 13.2, and without prejudice to any other remedy available to a Claimant under the Transaction Documents, any amount due to a Claimant from any Respondent upon a Claim becoming a Settled Claim (a "**Settled Sum**") shall be satisfied by way of:

13.1.1 a cash payment from that Respondent; or

13.1.2 in accordance with the remaining provisions of this clause 13.

13.2 If a Respondent has failed to pay (in whole or in part) a Settled Sum in cash to the Claimant within ninety days of the relevant Claim becoming a Settled Claim, the Claimant may by written notice to the Respondent ("**Set Off Notice**") require that the Respondent settles a Settled Sum by the transfer to it of such number of Securities held by the Respondent (or any of his Related Parties) ("**Set Off Securities**") (in such proportions as the Claimant shall determine consistently with clause 13.3) whose aggregate Set Off Value is equal to the outstanding amount of the Settled Sum in accordance with clause 13.7.

13.3 Unless otherwise agreed in writing by the Respondent, the Set Off Securities to be used to settle a Settled Sum under clause 13.2 shall be selected in the following order of priority:

13.3.1 firstly, C Shares;

13.3.2 secondly, B Shares and B PECs in the same proportions in which they are held by the Respondent;

13.3.3 thirdly, any other Shares; and

13.3.4 finally, any other Securities.

13.4 For the purposes of clause 13.2, the Set Off Value of any set off Securities shall be:

13.4.1 their value agreed in writing between the Claimant (with Investor Consent) and the Respondent; or

13.4.2 if no value can be so agreed within 10 Business Days of the Respondent receiving the Set Off Notice, the amount determined by a Valuer, on the application of and appointed by the Claimant, to be the price which in the opinion of the Valuer is the value on the Agreed Valuation Basis of the relevant Set Off Securities of the Respondent as at the date of his determination.

13.5 The following provisions shall apply in relation to the appointment of the Valuer under clause 13.4.2:

13.5.1 the Valuer shall act as expert not arbitrator and his engagement and duties shall be governed by English law;

13.5.2 the fees of the Valuer shall be paid as the Valuer shall determine or, if the Valuer makes no such determination, by the Claimant and the Respondent equally, provided that if the Valuer determines that the Set Off Value is more than 10% below the highest Set Off Value offered or proposed in writing to the Respondent by the Claimant prior to the appointment of the Valuer, the fees of the Valuer shall be paid by the Respondent;

13.5.3 the Company shall procure that the Valuer is given all such assistance and access to all such information in its possession or control as the Valuer may reasonably require in order to determine the Set Off Value; and

13.5.4 the determination of the Set Off Value by the Valuer shall, in the absence of fraud or manifest error, be final and binding on the Claimant and the Respondent and shall be addressed to each of them (on a reliance basis) in writing.

13.6 Where any Set Off Securities are to be transferred by a Respondent or any of his Related Parties under this clause 12, the Respondent shall direct the Manager Nominee to transfer, and the Manager Nominee hereby agrees to transfer, legal title to such Set Off Securities to the Claimant in accordance with clause 13.7.

13.7 Any transfer of Set Off Securities referred to in clause 13.2 shall occur within 10 Business Days of the Set Off Value being agreed or determined in accordance with clause 13.4 and such Set Off Securities shall be transferred with full title guarantee free from all encumbrances and the Respondent shall execute all such documentation as the Claimant may reasonably require in relation to the same. Each of the Shareholders expressly approves any transfer of Shares made pursuant to this clause 12 and agrees to approve any such transfer in a shareholders' resolution of the Company on or prior to the occurrence of any such transfer.

14 Fees and costs

14.1 Bidco shall pay all reasonable legal and other professional fees and expenses incurred by the Initial Managers in connection with the negotiation, preparation, execution and completion of this agreement and any other agreements or documents ancillary to or connected with this agreement up to a maximum aggregate amount of £45,000 (plus any applicable value added tax thereon).

14.2 Subject to clause 14.1, the Parties shall each pay their own legal and other professional fees in connection with the negotiation, preparation, execution and completion of this agreement and any other agreements or documents ancillary to or connected with this agreement.

14.3 No Management Charges shall be payable by any member of the Group to or levied on any member of the Group by any Investor or Investorco Investor or Related Party of an Investor or Investorco Investor, save that an Investor Majority may elect by notice in writing to the Company for the fees which would otherwise be payable to the Investor Directors pursuant to clause 3.7 to be paid to the Investors, Encore and/or JCF or such other entity as it may nominate.

15 Realisation

15.1 The Parties acknowledge that it is their intention that a Realisation is achieved within five years of the Original Completion Date.

15.2 The Managers and the Company shall notify the Investors and an Investor shall notify the CEO without delay of any approach received by them or it from any person which it is reasonable to believe might lead to an offer being made to purchase the whole or any material part of the issued share capital of any Group Company (or for the whole or a substantial part of the undertaking or assets of any Group Company).

15.3 If the Investor Majority proposes a Realisation, each of the other Parties shall:

15.3.1 give such co-operation and assistance as the Investor Majority shall reasonably request, which (in the case of the Managers who are Employees) shall include the preparation of an information memorandum and the giving of

presentations to potential purchasers, investors, finance providers and their advisers; and

15.3.2 to the extent reasonably required by the Investor Majority, exercise all such rights and powers as they may have (whether as a director or shareholder or otherwise) with a view to ensuring that a Realisation is achieved in accordance with such proposal provided it is consistent with this agreement.

15.4 Without prejudice to the generality of clause 15.3, each of the Managers acknowledges and agrees that in view of the opportunity afforded to him by the terms of his participation in the transaction of which this agreement is part he may (if still then an Employee) be required to and shall if required give such warranties and undertakings (including lock up undertakings in respect of shares in the case of a Flotation) as are customary in the course of such a Realisation, subject to reasonable limitations on liability.

15.5 Each of the Parties acknowledges and agrees that immediately prior to, but conditional upon, a Flotation, the share capital of the Company shall be reorganised as may reasonably be required for such purpose.

15.6 Each of the Parties acknowledges and agrees that, on a Flotation, the shareholders in the company the subject of the Flotation shall:

15.6.1 to the extent required by the Listing Rules of the UK Listing Authority or any equivalent requirements of any other recognised investment exchange, retain such number of their shares in the company the subject of the Flotation held at the time of the Flotation for such period after the Flotation as is required by the Listing Rules of the UK Listing Authority or the rules and requirements of the relevant recognised investment exchange; and

15.6.2 have regard to the recommendation of the brokers to the Flotation in determining their respective sales of shares upon the Flotation and shall make such determination with a view to ensuring the success of the Flotation.

15.7 The Parties acknowledge that no Investor nor any Investor Director shall be required to make or to give in connection with a Realisation:

15.7.1 any representation, warranty, undertaking or indemnity of any kind in respect of the disposal of their shares other than (i) a warranty as to their title to any shares to be sold by them and their capacity to sell and perform their obligations under the Realisation documentation (ii) customary undertakings as to confidentiality and making of announcements regarding the Group and its business and affairs (iii) usual further assurance obligations as regards the shares sold by them (iv) on a Flotation, lock up undertakings consistent with clause 15.6 and (v) on a Sale, undertakings appropriate to the consideration arrangements applicable, whether for locked box purposes or to give effect to any completion accounts or similar price adjustments; or

15.7.2 any contribution (except through any price adjustment on a Sale) to the costs (including legal and accounting fees and disbursements) incurred by any other Party in connection with the Realisation, except to the extent of a fair and reasonable contribution on a Sale to costs to be borne by selling shareholders as a whole.

15.8 The Parties agree that the provisions of schedule 6 and related provisions of the Luxco Articles shall apply in relation to a Realisation.

16 **Transfers of Investorco Securities and Deemed Realisation**

16.1 Each of the Investorco Investors and Investors severally undertakes to the Minority Shareholders and each of them to:

16.1.1 supply to the Minority Shareholders in writing and without delay all material details of any proposed arrangements or understandings which the Investorco Investor or Investor reasonably considers likely to result in a Relevant Investorco Transfer or Deemed Realisation, including such information as may be necessary or reasonably required by the Minority Shareholders or any of them to ascertain their economic entitlements attributable thereto and/or the rights attaching to any securities they are to receive or have the opportunity to receive in settlement of all or part of those economic entitlements;

16.1.2 procure (to the extent that it is able) that Investorco complies with its obligations under this clause 16.

16.2 [***]

16.2.1 [***]

16.2.2 [***]

[***]

16.2.3 [***]

16.2.4 [***]

16.3 [***]

16.4 [***]

16.5 JCF, JCF Luxco and their Investor Affiliates shall at all times be entitled to transfer Investorco Securities to a member of the Encore Group or other institutional investor [***], provided:

16.5.1 such transfers all occur within 6 months of the Original Completion Date;

16.5.2 such transfers are at a price which implies an equity value of the Acquired Group on a debt free cash free basis at the date of any such transfer of less than 110% of the equity value of the Acquired Group on a debt free cash free basis implied by the acquisition of the Acquired Company by Bidco under the terms of the Acquisition Agreement;

16.5.3 such transfers do and will not result:

16.5.3.1 in the case of transfers to a member of the Encore Group, in Encore Capital Group, Inc. holding (or, when taking into account the Bridge PECs Investorco acquires, potentially holding) a direct or indirect interest in more than 75% of the Original A Shares; and

16.5.3.2 in the case of transfers to any other institutional investor(s), in such institutional investor(s) and their respective Investor Affiliates holding (or, when taking into account the Bridge PECs Investorco acquires, potentially holding) a direct or indirect interest in 50% or more of the Original A Shares; and

16.5.4 the transfers do and will not result in JCF and its Investor Affiliates ceasing to hold a direct or indirect interest in 25% or more of the Original A Shares.

[***] 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.

16.6 Investorco agrees that it shall not alter the rights attaching to Investorco Securities or issue any Investorco Securities if such alteration or issue is wholly or principally to avoid a Deemed Realisation or otherwise prejudice or adversely affect the rights or economic entitlement of the Minority Shareholders under this clause 16 or the Ratchet Provisions.

17 **Termination of the agreement**

17.1 This agreement (other than this clause 17 and clauses 1 (Definitions and interpretation), 21 (General), 24 (Notices) and 25 (Governing law and jurisdiction)) shall cease and determine:

17.1.1 in respect of all Parties on a Realisation;

17.1.2 with respect to the rights of any Manager, upon that Manager ceasing to be both (i) the holder or beneficial owner of Securities and (ii) an Employee; and

17.1.3 in respect of an Investor, upon the Investor ceasing to be the legal or beneficial owner of any Securities.

17.2 Any cessation and determination pursuant to clause 17.1 shall be without prejudice to the rights, obligations or liabilities of any Party which shall have accrued or arisen prior to such cessation and determination.

18 **Assignment**

18.1 Subject to clause 18.2, no Party shall assign or in any other way dispose of any of its rights or obligations under this agreement.

18.2 A holder of Securities may assign his rights as such under this agreement to any person to whom those Securities are transferred in accordance with the terms of this agreement.

19 **Adherence**

19.1 Except with Investor Consent and Manager Consent, no Securities or Investorco Securities shall be allotted or transferred to any person who is not already a party to this agreement (a "**New Securities Holder**") unless at the time of or prior to such allotment or transfer:

19.1.1 he (or, if he is a nominee of another person, that other person) enters into a Deed of Adherence in the following capacity:

19.1.1.1a Core Manager, Senior Manager or Manager (at the discretion of the Remuneration and Nomination Committee): if the New Securities Holder is, or it is proposed that he should become, an Employee or is a Related Party of an existing Manager;

19.1.1.2an Investor: if the New Securities Holder is a Related Party of an existing Investor or otherwise an institutional investor; and/or

19.1.1.3an Investorco Investor: if the New Securities holder is to acquire Investorco Securities;

19.1.2 if he is entering into a Deed of Adherence as a Core Manager, Senior Manager or Manager, he completes, signs and delivers to the Investors a Manager Declaration; and

19.1.3 if he is entering into a Deed of Adherence as a Core Manager, Senior Manager or Manager and is acquiring Shares, he enters into a Manager Nominee Agreement with the Manager Nominee in respect of such Shares.

19.2 A New Securities Holder who enters into a Deed of Adherence as a Manager or Investor or Investorco Investor shall, subject to such Deed of Adherence being duly entered into, have all the rights and obligations as if he were named in this agreement as a Manager or Investor or Investorco Investor (as the case may be) except the New Securities Holder will have no liability or obligations in respect of any breach of this agreement before it adheres to it.

19.3 The Bidco Board (with Investor Consent and, in the case of a New Securities Holder adhering as an Investorco Investor, Manager Consent) may determine, notwithstanding clause 19.1 above, that the New Securities Holder should enter into a Deed of Adherence in a different capacity to that required by clause 19.1 and may also agree such amendment(s) to the Deed of Adherence as it reasonably considers appropriate in the circumstances.

19.4 Upon any Securities being issued or transferred to a Manager pursuant to this agreement, that Manager and the Acquired Group employer of that Manager shall jointly elect pursuant to s.431(1) ITEPA 2003 in the form approved by the Commissioners for HM Revenue & Customs in relation to the Securities issued or transferred to that Manager.

20 **Restricted Securities**

20.1 Subject to clause 20.3, each Manager hereby covenants to pay to the Company or, at the direction of the Company, to any other company that is associated with the Company from time to time that employs him or makes any payment or provides any benefit that is treated as income of his (each an "**employing company**") within five Business Days of demand an amount equal to all taxes and social security contributions (including UK income tax and national insurance contributions) and any related penalties or interest for which an employing company is required to account in connection with the acquisition or disposal of any Securities issued to that Manager pursuant to the Subscription Agreement, the Rollover Investment Agreement or this agreement or the occurrence of any chargeable event (as defined in s.427(3) and s.439(3) ITEPA 2003) or receipt or deemed receipt of any benefit (as defined for the purposes of Part VII ITEPA 2003) in relation to such Securities.

20.2 Subject to clause 20.3, if any payment required to be made by any of the Managers pursuant to the covenant in clause 20.1 is not made within the period specified in s.222(1)(c) ITEPA 2003, the relevant Manager shall in addition pay an amount equal to all taxes and social security contributions (including UK income tax and national insurance contributions) and any related penalties or interest for which any employing company is required to account as a result of any amount of tax being treated as earnings from an employment of that Manager whether pursuant to s.222 ITEPA or otherwise.

20.3 The covenants in clause 20.1 and clause 20.2 shall not extend to:

20.3.1 any secondary Class 1 national insurance contributions in circumstances where such an indemnity is prohibited by Sched 1 para 3A Social Security Contributions and Benefits Act 1992 or where the liability concerned arises in connection with a disposal of Securities as contemplated by clause 16; or

20.3.2 any income tax and national insurance contributions and any related penalties or interest excepted under clause 20.5; or

20.3.3 any taxes and social security contributions (including UK income tax and national insurance contributions) to the extent that the same have already been deducted from any payment to the Manager as required by law, or by agreement of the Manager, by any member of the Group from any remuneration due to that Manager; or

20.3.4 any penalties or interest which arise by reason of any default by any member of the Group.

20.4 If an employing company is liable to tax on any sum paid under this clause 20, the amount so payable shall be increased by such amount as will ensure that, after payment of the tax

liability, the employing company is left with a net sum equal to the sum it would have received had no such tax liability arisen.

20.5 The foregoing provisions of this clause 20 shall not apply to any income taxes and social security contributions (including UK income tax and national insurance contributions) and any related penalties or interest payable in respect of or by reference to a Manager's acquisition of any Securities contemplated by clause 2 and schedule 1 and/or any Securities acquired and disposed of under the Acquisition Agreement and/or any Roll Up Documents and/or the making of any election in respect of any such acquisition pursuant to s.431(1) ITEPA 2003.

21 **PEC Instruments and PECs**

21.1 No holder of B PECs shall, save with Investor Consent, transfer any B Share unless at the same time such transferor transfers to the proposed transferee (at a price equal to the nominal value thereof and the unpaid interest accrued thereon as at the date of transfer, unless the transferor agrees otherwise) such proportion of his total holding of B PECs as is equal to the proportion which the number of B Shares the subject of the transfer bears to such transferor's total holding of B Shares.

21.2 No holder of A PECs shall, save with Manager Consent, transfer any A Share unless at the same time such transferor transfers to the proposed transferee (at a price equal to the nominal value thereof and the unpaid interest accrued thereon as at the date of transfer unless the transferor agrees otherwise) such proportion of his total holding of A PECs as is equal to the proportion which the number of A Shares the subject of the transfer bears to such transferor's total holding of A Shares.

21.3 Each holder of PECs hereby undertakes to the Company and the Investors that, if the Company has failed to make a payment when due to that holder of any sum pursuant to or in connection with his PECs and such sum continues to remain outstanding, he will not, without Investor Consent, do, undertake or effect any action or step (including, without limitation, the service of any statutory demand upon, or the issue of any petition to wind up the Company or any member of its Group) or otherwise exercise any right of recovery in relation to those sums which would or could result in the winding-up of the Company.

21.4 The Company shall ensure that (i) all payments of interest under the A PEC Instrument and B PEC Instrument shall be paid to the holders of A PECs and B PECs pro rata to their respective holdings of such PECs and (ii) any redemption of A PECs and B PECs shall be effected in relation to each holder of A PECs and B PECs pro rata to their respective holdings of such PECs.

21.5 The Company may, with Investor Consent, vary the terms of any PEC Instrument and the PECs or give any waiver, consent, approval or release thereunder, provided that any variation, waiver, consent, approval or release of the provisions relating to the accrual or payment of interest or the redemption or repayment of PECs under the PEC Instruments which:

21.5.1 increases the amount that is due to be paid or is payable by the Company under any PEC Instrument (but excluding an amendment that changes the redemption date or due date for payment of interest thereunder); and/or

21.5.2 is not made in all material respects on an equal pari passu basis in respect of the terms of the A PECs and B PECs and their PEC Instruments

shall require Manager Consent except that any variation, waiver, consent, approval or release contemplated by clause 21.5.1 shall not require Manager Consent to the extent it is Remedial Action.

21.6 To the extent applicable, each direct or indirect holder of PECs agrees to treat the PECs as equity in the Company for United States income tax purposes.

22 **Variation of this agreement, the Luxco Articles, the Bidco Articles and the Manager Nominee Agreements**

22.1 Subject to clauses 22.2 and 22.3 and compliance with any applicable law, the provisions of this agreement (other than this clause 22 which may only be varied with the written consent of all the Parties), the Luxco Articles and the Bidco Articles may be varied by the agreement in writing of (or on behalf of) the Investor Majority and the Company.

22.2 Subject to clause 22.3, the consent of the Manager Majority shall be required to any variation of the terms of this agreement or the Luxco Articles or the Bidco Articles if such variation is materially adverse to the C Shareholders as compared to the A Shareholders and B Shareholders unless the variation is Remedial Action.

22.3 Notwithstanding clauses 22.1 and 22.2, the written consent of any Manager who would be personally adversely affected shall be required to any amendment to clauses 8.8.6 (*Information Rights*),12 (*Satisfaction of Claims*) or 20 (*Restricted Securities*) which either imposes or is likely to increase his obligations or liability or reduce his rights thereunder.

22.4 The provisions of any Manager Nominee Agreement may only be varied with Investor Consent.

23 **General**

23.1 **Further assurance**

The Parties shall, and shall use their respective reasonable endeavours to procure that any necessary third party shall, do and execute and perform all such further deeds, documents, assurances, acts and things as any of them may reasonably require by notice in writing to give effect to the terms of this agreement.

23.2 **Effect of Completion**

This agreement shall, as to any of its provisions remaining to be performed or capable of having or taking effect following Completion, remain in full force and effect notwithstanding Completion.

23.3 **Obligations of the Holding Companies**

In any case where under the provisions of this agreement any Holding Company has agreed that it shall, or shall not, do any act or thing, each holder of Securities shall:

23.3.1 (in the case of any shareholder of a Holding Company who is also a director of a Holding Company) exercise his votes as a shareholder or director in favour of or against (as the case may be) the doing of, or the omission to do, the act in question;

23.3.2 (in the case of any shareholder of a Holding Company who is not also a director of a Holding Company) exercise his votes as a shareholder in favour of or against (as the case may be) the doing of, or the omission to do, the act in question; and

23.3.3 (in any case) not knowingly procure the doing of, or the omission to do, the act in question (whether alone or in conjunction with another person or persons).

23.4 **Managers' confirmations**

Each of the Managers confirms to the Investors that:

23.4.1 he has entered into this agreement and the transactions contemplated by it entirely on the basis of his assessment of the risk and effect of this agreement and such transactions;

23.4.2 the Investors have not provided to him any advice of a financial or other nature whatsoever and is not under any obligation or duty whatsoever so to do; and

23.4.3 the Investor Directors are not authorised to give advice on behalf of the Investors,

and hereby waives, to the extent permitted by law, any rights which he may have in respect of any such obligation or duty.

23.5 **Successors and assigns**

This agreement shall be binding upon, and enure for the benefit of, the successors and permitted assigns of the Parties including, in the case of individuals, their respective estates after their deaths and, subject to any succession or assignment permitted by this agreement, any such successor or assign of the Parties shall in its own right be able to enforce any term of this agreement.

23.6 **Confidentiality**

The terms of this agreement shall be confidential to the Parties and each Party shall not without the prior consent of the other Parties make any announcement concerning or otherwise disclose or divulge any information concerning the investment by the Investors in the Company including (without limitation) any of the terms of this agreement save to the extent (if any) required by any applicable law or regulation or permitted by any exception in clause 8.8 which shall apply mutatis mutandis.

23.7 **Several liability**

Unless expressly provided otherwise, obligations expressed in this agreement to be assumed by, or covenants, warranties, representations or undertakings expressed in this agreement to be given by two or more persons shall in each case be construed as if expressed to be given severally (and not jointly and severally).

23.8 **Conflict between agreement, the PEC Instruments, the Luxco Articles and the Bidco Articles**

In the event of any conflict or inconsistency between the provisions of (i) this agreement and (ii) the PEC Instruments, the Luxco Articles or the Bidco Articles, the provisions of this agreement shall (as between the Parties) prevail. Each of the Parties shall exercise all voting and other rights and powers available to it so as to give effect to the provisions of this agreement and, if necessary, to procure (so far as it is able to do so) any required amendment to the PEC Instruments, the Luxco Articles or the Bidco Articles.

23.9 **No partnership**

Nothing contained in this agreement shall be deemed to constitute a partnership between the Parties or any of them. Nothing in this agreement is intended to or shall operate to create a partnership or joint venture of any kind between the Parties or any of them, or to authorise any Party to act as agent for any other, and no Party shall have authority to act in the name or on behalf of or otherwise to bind any other in any way (including, but not limited to, the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

23.10 **Performance, waiver and release**

23.10.1 The failure or delay of a Party at any time or times to require performance of any provision of this agreement shall not affect its right to enforce such provision at a later time.

23.10.2 No waiver by a Party of any condition nor of the breach of any term, covenant, representation, warranty or undertaking contained in this agreement, whether

by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or deemed to be or construed as the waiver of breach of any other term, covenant, representation, warranty or undertaking in this agreement.

23.10.3 Any liability to a Party under this agreement may in whole or in part be released, compounded or compromised or time or indulgence given by such Party in its absolute discretion as regards any other Party under such liability without in any way prejudicing or affecting either its rights against any other Party under the same or a like liability, whether joint and several or otherwise.

23.10.4 A provision of this agreement may only be waived in writing by (or on behalf of) the Party waiving compliance.

23.11 **Severance**

Each of the provisions of this agreement is severable and distinct from the others and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions of this agreement shall not be in any way affected or impaired thereby.

23.12 **Counterparts**

This agreement may be executed in any number of counterparts each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same instrument.

23.13 **Third party rights**

The Parties agree that, subject always to and save as expressly provided in the provisions of this clause 23.13, clause 8.7 (*Investor Directors entitlement to pass on information*), clause 11.1 (*Managers' undertaking to observe terms of Service Agreements*), clause 11.2 (*covenants for the benefit of Group Companies*), clause 12.6 (*Waiver of claims by Initial Core Managers*), clause 19.2 (*New Securities Holder who enters into a Deed of Adherence*) and clause 23.5 (*successors to, and assigns of, the Parties*):

23.13.1 no term of this agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 or otherwise by a third party; and

23.13.2 notwithstanding that any term of this agreement may be or become enforceable by a third party, the terms of this agreement or any of them may be varied in any way or waived or this agreement may be rescinded (in each case) without the consent of any such third party.

23.14 **Limited recourse**

The Parties acknowledge that Bedell Trustees Limited (the "**Trustee**") is entering into this agreement in its capacity as trustee of the Cabot Holdings S.à r.l. Employee Benefit Trust (the "**Trust**") and agree that, save in the case of the fraud, misconduct or negligence of the Trustee, no Party or Parties will have any recourse to any assets held by the Trustee in its personal or any other capacity (excluding the assets of the Trust) and the recourse of the Parties against the Trustee under or in connection with this agreement shall be limited to the net value of the Trust Fund (as defined in the trust deed of the Trust) which has not been allocated, appointed, paid or applied to or for the benefit of any Beneficiary (as defined in the trust deed of the Trust) by the Trustee less all other liabilities (both secured and unsecured) properly payable from the Trust Fund which is in the possession or under the control of the Trustee from time to time.

24 **Notices**

24.1 Any notice or other communication given in connection with this agreement:

24.1.1 shall be in writing and signed by or on behalf of the Party giving it; and

24.1.2 shall be given by:

24.1.2.1 leaving it by hand (including by courier) at; or

24.1.2.2 sending it by special delivery post to; or

24.1.2.3 sending it by international signed-for airmail (in the case of an address for service outside the United Kingdom) to; or

24.1.2.4 sending it by fax to;

the relevant address or number and marked for the attention of the relevant Party set out in this agreement or such other address or fax number as may be notified in writing from time to time by the relevant Party to the other Parties.

24.2 Any such notice shall be deemed to have been received if:

24.2.1 left by hand, at the time of leaving it; and

24.2.2 sent by special delivery post, 24 hours from the date of posting; and

24.2.3 sent by airmail, five days from the date of posting; and

24.2.4 sent by fax, at the time of transmission;

provided that if deemed receipt occurs before 9.00 am on a Business Day the notice shall be deemed to have been received at 9.00 am on that day, and if deemed receipt occurs after 5.00 pm on a Business Day, or on a day which is not a Business Day, the notice shall be deemed to have been received at 9.00 am on the next Business Day. For the purpose of this clause, "**Business Day**" means any day which is not a Saturday, a Sunday or a public holiday in the place at or to which the notice is left or sent and references to time are to the time in the place of receipt.

24.3 In proving service it shall be sufficient to prove that the notice was addressed to the address, fax number or email address of the relevant Party set out in this agreement (or as otherwise notified by that Party under this agreement) and that, if:

24.3.1 left by hand, that the envelope containing the document was left at the relevant address; or

24.3.2 sent by post or airmail, that the envelope containing that document was delivered into the custody of the postal authorities as a special delivery or airmail letter; or

24.3.3 sent by fax, that despatch of the transmission was confirmed.

25 **Governing law and jurisdiction**

25.1 Subject to clause 25.3, this agreement is governed by and shall be construed in accordance with the laws of England. Non-contractual obligations (if any) arising out of or in connection with this agreement (including its formation) shall also be governed by the laws of England.

25.2 The Parties submit to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter (whether contractual or non-contractual) arising out of

or in connection with this agreement or any of the documents to be entered into pursuant to this agreement (including their formation).

25.3 The Parties agree that if any Party is constituted as a partnership which is registered in any jurisdiction other than England and Wales, the extent of the liability of the partners of such Party in respect of any liability for a breach of this agreement by such Party shall be governed in accordance with the laws of partnership of the relevant jurisdiction.

25.4 Each Party irrevocably consents to any process in any legal action or proceedings arising out of or in connection with this agreement (including its formation) being served on it in accordance with the provisions of this agreement relating to service of notices. Nothing contained in this agreement shall affect the right to serve process in any other manner permitted by law.

The Parties have executed this agreement on the date set out at its head.

SCHEDULE 1.

The Initial Managers and the EBT

PART 1

Initial Core Managers

[***]

[***] 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.

PART 2

Initial Senior Managers (other than the Initial Core Managers)

[***]

[***] 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.

PART 3

Other Initial Managers and the EBT

[***]

[***] 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.

SCHEDULE 2

The Initial Investors

1 Name	2 Number of A Shares	3 Nominal amount of Bridge PECs (£)	4 Nominal amount of A PECs (£)
Encore	100	—	—
JCF	100	—	—
JCF Luxco	—	24,603,645	—
Investorco	6,983,160	20,396,355	193,073,176

SCHEDULE 3

Restricted Transactions

The following are the matters referred to in clause 10.1:

1 Increase, reduce, alter, convert, consolidate, sub-divide or otherwise vary the share capital of, or alter or vary any of the rights attached to any of the shares from time to time in the capital of any Group Company which is not wholly-owned by another Group Company, or enter into any agreement or arrangement to do the same.

2 Enter into or create any agreement, arrangement or obligation requiring or granting any option or right to require the creation, allotment, issue or transfer of any shares in the capital of any Group Company or securities convertible into shares (other than in either case to another Group Company).

3 Purchase or redeem any of the shares of any Group Company which is not wholly-owned directly or indirectly by the Company or enter into any agreement or arrangement for the same.

4 Alter its articles of association or equivalent constitutional documents or waive any provision thereof.

5 Make any alteration to its name.

6 Pay, make or declare any dividend or other distribution in respect of its profits assets or reserves (other than to a Group Company) or enter into any agreement for the same.

7 Pass any resolution for its winding up or to place it in administration or any equivalent process.

8 Except pursuant to the Indenture or SFA, create or cause or permit to be created or to exist any mortgage, charge, lien (other than liens arising in the ordinary course of business) or other encumbrance whatsoever over the whole or any part of its undertaking property or assets.

9 Acquire a portfolio of receivables for future collection where the consideration to be paid is in excess of £10,000,000.

10 Acquire (i) shares or equivalent interests in any other body corporate or (ii) the whole or any part of the assets or undertaking of any other body corporate or business, in each case other than from another Group Company.

11 Sell, transfer, lease, licence or in any way dispose of (i) any shares in a Group Company or other body corporate or (ii) the whole or a substantial part of its business undertaking or assets whether by a single transaction or a series of transactions, in each case other than from another Group Company.

12 Establish any new subsidiary undertaking or establish a branch outside the United Kingdom

13 In any financial year:

13.1 incur or enter into any commitment to incur any capital expenditure not provided for in the Budget if the estimated amount of such expenditure is for an individual item (together with all related items) in excess of £100,000 or if the estimated amount or aggregate value of capital commitments already incurred or contracted for in that financial year exceeds the budgeted annual amount for that year by more than 5% in aggregate; or

13.2 sell transfer lease license or in any way dispose of any fixed asset or fixed assets not provided for in the Budget if such sale transfer lease licence or disposal is of an individual item (together with all related items) with a net book value in excess of £50,000 or if the

aggregate net book value of such sales transfers leases licences or disposals made or contracted for in that financial year exceeds the budgeted annual amount by more than 5% in aggregate.

14 Acquire or dispose of any freehold or leasehold property (other than from or to another Group Company).

15 Enter into any joint venture or partnership agreement or arrangement with any other person firm or company (other than with a Group Company).

16 Enter into any transaction of any nature whatsoever otherwise than by way of bargain on arm's length terms.

17 Enter into any contract of a long-term onerous or unusual nature or assume any material liability otherwise than in the ordinary course of business.

18 Except for or pursuant to the SFA or Indenture or by way of trade credit or under company credit card arrangements in the ordinary course of business or as contemplated by the Business Plan or a Budget, incur or enter into any agreement to obtain, any borrowing, advance, credit, finance or other indebtedness or liability in the nature of borrowing or provide any guarantee, indemnity or security for the borrowing or indebtedness of any other person.

19 Make any loan to or enter into any guarantee or stand surety for the obligations of any third party (other than a Group Company) or enter into any agreement for the same (save for any credit given in the ordinary course of trading).

20 Make or permit any substantial alteration (including cessation) to the general nature of the business carried on or proposed to be carried on by it at the date of this agreement.

21 Undertake any merger or demerger or reconstruction or amalgamation or enter into any scheme of arrangement.

22 Initiate or settle any litigation or arbitration (except relating to debt collection in the ordinary course of business or employee litigation claims (other than against a Manager or Senior Employee) not exceeding £50,000 in any financial year).

23 Appoint or remove of any director or other officer of any Group Company (including the Investor Directors) or make any variation in the remuneration or other benefits or terms of service of such director or other officer (other than as provided for in this agreement).

24 Constitute or appoint any committee of its board of directors or delegate any powers to such a committee (other than the Remuneration and Nomination Committee or Audit Committee in accordance with clause 3.9).

25 Appoint or remove the auditors or any other professional advisers of any Group Company (provided that this restriction shall not apply to the reappointment of the existing auditors).

26 Make any change in its accounting reference date or to any of the accounting policies in force at the date of this agreement, save as required by law or approved by the Audit Committee.

27 Use the name of the Investors or JC Flowers & Co LLC or JCF in any context whatsoever or hold itself out as being connected or associated with JCF in any manner whatsoever, except for factually correct references to its being an investor in the Group.

28 Establish any pension, retirement, death or disability or life assurance scheme or any share option scheme or employee share scheme or profit sharing bonus or incentive scheme or similar scheme for the benefit of its employees or any section of its employees or make any material variation to any such scheme.

29 Except where approved by the Remuneration and Nomination Committee, enter into, terminate or vary any contract, agreement or arrangement with a Manager or a connected person or Related Party of a Manager (including the persons to whom a Manager has transferred any Shares in accordance with paragraph 2.1.2 of schedule 4) or in which the Manager or any such persons is otherwise interested.

30 Except where approved by the Remuneration and Nomination Committee, enter into any contract of employment or consultancy agreement with (or make any change to the terms of employment or engagement or to the emoluments of):

30.1 any of the Managers; or

30.2 any Senior Employee.

31 Enter into any contract of employment or consultancy agreement which cannot be terminated by the Group Company concerned by six months' notice or less without giving rise to any claim (other than a statutory claim) for damages or compensation against that Group Company.

32 Determine whether any Employee who ceases to be such an Employee is (i) a Good Leaver in circumstances in which he would otherwise be a Bad Leaver or an Intermediate Leaver or (ii) an Intermediate Leaver in circumstances in which he would otherwise be a Bad Leaver.

33 Enter into any agreement with any tax authority or make any claim, disclaimer, election or consent for tax purposes other than in the ordinary course of business.

34 Adopt the annual budget of the Group in respect of any financial year.

35 Enter into, vary or terminate any contract, agreement or arrangement with AnaCap Financial Partners LLP or their connected persons, funds managed or advised by AnaCap Financial Partners LLP or their connected persons or companies controlled by such funds or their connected persons.

36 Enter into, terminate or vary any contract, agreement or arrangement with a Shareholder or Related Party of a Shareholder or in which Shareholder or Related Party of a Shareholder is otherwise interested.

SCHEDULE 4

Transfer of Securities

1 **General**

1.1 If the Company refuses to register the transfer of a Security on the basis that such transfer is not permitted by the provisions of this schedule 4 or clauses 19 or 21.1 or 21.2, it shall send to the proposed transferor notice of refusal, together with the reasons for the refusal, as soon as practicable.

1.2 For the purpose of ensuring that a transfer of Securities is authorised under this schedule 4, the Company may from time to time require any Shareholder to provide to the Company such information as it may reasonably request. The Company may refuse to register the relevant transfer until such information is supplied.

2 **Permitted transfers**

2.1 **Transfers by Managers**

2.1.1 A Manager and his Related Parties may:

2.1.1.1 at any time transfer Securities to any person with Investor Consent; or

2.1.1.2 if the Investors shall fail to acquire his B Shares and B PECs when required under the provisions of paragraph 7, transfer such B Shares and B PECs to any person following prior notification in writing to the Investors.

2.1.2 A Manager and his Related Parties may at any time transfer:

2.1.2.1 B Shares or PECs; or

2.1.2.2 if:

(i) Investor Consent (such Investor Consent not to be unreasonably withheld or delayed) has been given; or

(ii) he (or the Manager in relation to whom he or it is a Related Party) is a Good Leaver and either the Bidco Board has not given notice in accordance with paragraph 3.1 within 12 months of his Cessation Date in respect of such Securities or such notice was given but the Securities were not acquired pursuant to it,

C Shares, in each case during his lifetime or by way of testamentary disposition to:

2.1.2.3 a Family Member of that Manager (or of the Manager in relation to whom the transferor is a Related Party) aged 18 or more and to whom the Manager or Related Party is transferring the entire beneficial interest in such Securities;

2.1.2.4 trustees of a Family Trust of that Manager (or of the Manager in relation to whom the transferor is a Related Party) to whom the Manager or Related Party is transferring the entire beneficial interest in such Securities,

provided in each case that if:

2.1.2.5 any Relevant Securities held by trustees cease to be held on a Family Trust of the Manager from whom Securities were originally acquired by such trustees; or

2.1.2.6 a person holding Relevant Securities ceases by reason of death, divorce or dissolution of civil partnership to be a Family Member of the Manager from whom Securities were originally acquired by such person, whether directly or indirectly through a series of two or more transfers; or

2.1.2.7 a person holding Relevant Securities who is a Family Member of the Manager from whom Securities were originally acquired by such person, whether directly or indirectly through a series of two or more transfers, becomes a Patient,

the member holding the Relevant Securities shall without delay after becoming aware of the event notify the Company in writing that that event has occurred and the member shall, if required to do so by the Bidco Board (with Investor Consent) by notice in writing, procure the transfer of all Relevant Securities to the Manager from whom Securities were originally acquired by the relevant Family Member or the relevant trustees of a Family Trust (as the case may be) and provide evidence of such transfer to the Company not later than 20 Business Days after the date of such notice.

2.1.3 If a holder of Securities, having become bound to procure the transfer of any Relevant Securities under the provisions of paragraph 2.1.2 shall fail to do so, the Bidco Board (with Investor Consent) may authorise any individual to execute on behalf of and as agent or attorney for the relevant Securities holder any instrument of transfer or other document necessary to effect the transfer of the Relevant Securities and the Company shall register the Manager Nominee as the holder of the Relevant Securities on behalf of the relevant Manager.

2.1.4 A Manager and his Related Parties may at any time transfer Securities pursuant to clauses 5.6 or 13 or paragraphs 3, 4, 5 and 7 of this schedule.

2.2 **Transfers by trustees of Family Trusts**

Where Securities have been transferred under paragraph 2.1.2 or under this paragraph 2.2 to trustees of a Family Trust of an Employee, or have been issued to trustees of a Family Trust of an Employee in accordance with clause 5, the trustees and their successors may transfer all or any of the Relevant Securities as follows:

2.2.1 on any change of trustees, the Relevant Securities may be transferred to the trustees from time to time of the Family Trust concerned; and

2.2.2 pursuant to the terms of such Family Trust or in consequence of the exercise of any power or discretion vested in the trustees or any other person, all or any of the Securities may be transferred to the trustees from time to time of any other Family Trust of the same Manager or to any Family Member of the relevant Manager or deceased or former Manager who has become entitled to the Securities proposed to be transferred and is aged 18 or more; and

2.2.3 pursuant to clauses 5.6 or 13 or paragraphs 3, 4, 5 and 7 of this schedule.

2.3 **Transfers to/by the Manager Nominee**

2.3.1 On or before any acquisition by the Manager Nominee of any Securities to hold for another person, the Manager Nominee and the person concerned shall enter into a nominee agreement substantially in the form of the Manager Nominee Agreement.

2.3.2 The Manager Nominee shall not transfer any Securities to any person (including to any Manager or the EBT) without Investor Consent or pursuant to clause 13 or paragraphs 4, 5 and 7 of this schedule.

2.3.3 Each of the Managers and the EBT undertakes that it will not call for or otherwise require that legal title to any Securities held on its behalf by the Manager Nominee to be or are transferred to any person without Investor Consent.

2.4 **Transfers by an Investor**

An Investor may at any time transfer any Securities:

2.4.1 to any person with Manager Consent;

2.4.2 to any company which is from time to time a parent undertaking of that Investor or a subsidiary undertaking of that Investor or of any such parent undertaking (but excluding for these purposes any portfolio companies in which any such Investor or undertaking has invested (directly or indirectly) from time to time) provided that:

2.4.2.1 if the transferee ceases to be an undertaking to which such a transfer would be permitted by the original Investor, the Investor and transferee shall without delay notify the Company in writing that that event has occurred;

2.4.2.2 the transferee shall, if required to do so by the Bidco Board (with Investor Consent) by notice in writing, procure the transfer of all Securities held by such transferee to the original Investor from whom the Securities were originally acquired and provide evidence of such transfer to the Company not later than 20 Business Days after the date of such notice; and

2.4.2.3 if the transferee, having become bound to procure the transfer of any Securities under the provisions of paragraph 2.4.2.2 shall fail to do so, the Bidco Board (with Investor Consent, which shall not be unreasonably withheld or delayed) shall authorise any individual to execute on behalf of and as agent or attorney for the relevant holder any instrument of transfer or other document necessary to effect the transfer of the relevant Securities and the Company shall register the relevant Investor as the holder of the relevant Securities;

2.4.3 where the Investor is, or holds shares as trustee or nominee for, or otherwise on behalf of, a partnership, unit trust or other fund (however constituted):

2.4.3.1 to the holders of units in, or partners in or members of or investors in such partnership, unit trust or fund;

2.4.3.2 a partnership, unit trust or fund which has the same general partner, manager or adviser as such partnership, unit trust or fund, or whose general partner, manager or adviser is a member of the same group as the general partner, manager or adviser of such partnership, unit trust or fund;

2.4.3.3 to a trustee or nominee for any such partnership, unit trust or fund as is referred to in paragraph 2.4.3.2; or

2.4.3.4 to any body corporate held by or on behalf of any such partnership, unit trust or fund as is referred to in paragraph 2.4.3.2 which is a holding company for its investments (but excluding for these purposes any portfolio companies in which any such Investor or undertaking has invested (directly or indirectly) from time to time) and the proviso to paragraph 2.4.2 shall apply on an equivalent basis should that transferee cease to be so held on the basis that the Securities shall be transferred to another such continuing body corporate or to the partnership, unit trust or fund concerned; or

2.4.4 in accordance with clause 5.6 or to a Relevant Transferee as a result of a transfer of Specified Securities in accordance with paragraphs 4 or 5 of this schedule.

2.5 **Transfers by the EBT**

2.5.1 The EBT may, with the prior written consent of the Remuneration and Nomination Committee (following consultation with the CEO and with Investor Consent), transfer any Securities to any beneficiary of the EBT.

2.5.2 The EBT may transfer any Securities to any beneficiary of the EBT pursuant to clause 6.3.

2.5.3 The EBT may transfer any Securities pursuant to clause 5.6 or paragraphs 4 and 5 of this schedule.

3 **Compulsory transfer by Employees**

3.1 If any Employee ceases to be an Employee, the former Employee and each Related Party of the former Employee who holds C Shares and/or D Shares (together the "Compulsory Sellers") shall, except to the extent otherwise agreed between the Employee, Investor(s) constituting an Investor Majority and the Company, if so required by notice in writing given by the Bidco Board within 12 months of his Cessation Date, be deemed to have offered for sale in accordance with this paragraph 3 some or all of the C Shares and D Shares held by the Compulsory Sellers (irrespective of whether the C Shares and D Shares were so registered at the date of cessation, or were registered subsequently) (the "Sale Shares") on terms that the price at which each of the Sale Shares shall be offered shall be:

3.1.1 in the case of a Bad Leaver, the lower of (a) Cost and (b) the Prescribed Price;

3.1.2 subject to paragraph 3.9, in the case of an Intermediate Leaver (other than an Initial Core Manager):

3.1.2.1 the Prescribed Price in relation to the Vested Percentage of the Sale Shares; and

3.1.2.2 the lower of (a) Cost and (b) the Prescribed Price in relation to the balance of the Sale Shares,

with the Vested Percentage being 100% if he ceases to be an Employee on or after the second anniversary of the date on which he acquired the Sale Shares and (if he ceased to be an Employee before that second anniversary) being calculated and vesting at the rate of 0.137% for each day in that two year period prior to the Cessation Date;

3.1.3 in the case of a Good Leaver, the Prescribed Price; or

3.1.4 subject to paragraph 3.9, in the case of an Intermediate Leaver who is an Initial Core Manager, the Prescribed Price.

3.2 The Prescribed Price shall mean:

3.2.1 the price per Sale Share agreed between the Company (with Investor Consent) and the Compulsory Sellers to be the market value per Sale Share; or

3.2.2 if no price can be agreed within 10 Business Days of notice being given under paragraph 3.1, the price determined by the Valuer, on the application of and appointed by the Company, which is in the opinion of the Valuer the market value on the Agreed Valuation Basis of the Sale Shares as at the Cessation Date of the relevant Employee.

3.3 The following provisions shall apply in relation to the appointment of the Valuer pursuant to paragraph 3.2:

3.3.1 the Valuer shall act as expert not arbitrator and his engagement and duties shall be governed by English law;

3.3.2 the fees of the Valuer shall be paid as the Valuer shall determine or, if the Valuer makes no such determination, by the Company, provided that if the Valuer determines that the Prescribed Price is more than 10% below the highest value offered or proposed in writing to the Compulsory Sellers by the Company prior to the appointment of the Valuer, the fees of the Valuer shall be paid by the Compulsory Sellers;

3.3.3 the Company shall procure that the Valuer is given all such assistance and access to all such information in its possession or control as the Valuer may reasonably require in order to determine the Prescribed Price; and

3.3.4 the determination of the Prescribed Price by the Valuer shall, in the absence of fraud or manifest error, be final and binding on the Company and the Compulsory Sellers and shall be addressed to each of them (on a reliance basis) in writing.

3.4 Within 5 Business Days following the agreement or determination of the Prescribed Price, the Company shall (on behalf of each holder of Sale Shares) offer such Sale Shares to one or more of the following, at the direction of the Remuneration and Nomination Committee (after consultation with the CEO and with Investor Consent):

3.4.1 Employees; or

3.4.2 prospective Employees; or

3.4.3 the EBT; or

3.4.4 the Company.

3.5 Any offer of Sale Shares under paragraph 3.4 shall remain open for acceptance for at least 20 Business Days commencing on the date of the offer.

3.6 Within 5 Business Days following the expiry of the period for acceptance of such offer the Company shall give notice to the Compulsory Sellers specifying the names of the persons who have accepted the offer to purchase Sale Shares, and the numbers of Sale Shares to be purchased by them respectively.

3.7 Any sale of Sale Shares pursuant to this paragraph 3 must be completed as soon as practicable, and in any event within 10 Business Days of the date of the notice given under paragraph 3.6, by delivery by the Compulsory Sellers a duly executed instrument of transfer (accompanied by the related share certificate, if any, or a customary indemnity if it is lost or mislaid) and payment by the purchaser or purchasers to the Compulsory Sellers of an amount in cash equal to the consideration payable for each Sale Share sold.

3.8 If a Compulsory Seller shall fail to transfer any Sale Shares having become bound to do so under the provisions of this paragraph 3, the Bidco Board (with Investor Consent) may authorise any individual to execute on behalf of and as agent or attorney for that Compulsory Seller any instrument of transfer or other document necessary to effect the required transfer of Sale Shares on the terms of this paragraph 3. The Company's receipt of the purchase money shall be a good discharge to the purchaser, and the Company shall after that time hold the purchase money for the benefit of the relevant Compulsory Seller, but shall not be bound to earn or pay interest on it, and shall transfer it to such Compulsory Seller as soon as possible thereafter, at its direction

3.9 If an Employee ceases to be an Employee in circumstances that would otherwise make him an Intermediate Leaver (regardless of whether re-categorised as a Good Leaver but including a Bad Leaver re-categorised as an Intermediate Leaver), but such Employee is, either at or after the Cessation Date, in material breach of the provisions of clause 11.2, such Employee shall if so resolved by the Remuneration and Nomination Committee and notified to him in writing, become a Bad Leaver and accordingly:

3.9.1 to the extent that the Sale Shares have not yet been offered for sale in accordance with this paragraph 3, any such offer shall be on terms that the price at which the Sale Shares shall be offered shall be the lower of (a) Cost and (b) the Prescribed Price;

3.9.2 to the extent that the Sale Shares have been offered for sale in accordance with this paragraph 3 but the offer has not yet been accepted, the offer shall be deemed to be adjusted such that the price at which the Sale Shares are offered shall be the lower of (a) Cost and (b) the Prescribed Price; and

3.9.3 to the extent that the transfer of the Sale Shares has been completed in accordance with this paragraph 3, provided such Employee has been notified in writing by the Remuneration and Nomination Committee in accordance with this paragraph 3.9 within three months of the later of (i) the period of 12 months following his Cessation Date and (ii) the date on which the transfer of the Sale Shares has been completed in accordance with this paragraph 3, the Compulsory Sellers shall within ten Business Days of the notification to him by the Remuneration and Nomination Committee referred to above repay to the purchaser of the Sale Shares the amount by which the price paid to the Compulsory Sellers by such purchaser exceeds the lower of (a) Cost and (b) the Prescribed Price of the Sale Shares.

3.10 The Manager Nominee agrees that, for so long as it holds the legal title to Shares for the benefit of an Employee who has ceased to be an Employee (for any reason) or his Related Parties, it shall refrain from exercising the voting rights in respect of such Shares at general meetings of the shareholders of the Company until the beneficial interest in such Shares has been transferred to an Employee or a Related Party of an Employee or the EBT or the Company in accordance with this agreement.

4 [***]

4.1 [***]

4.1.1 [***]

4.1.2 [***]

[***] 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.

4.1.2.1 [***]

4.1.2.2 [***]

[***]

4.2 [***]

4.2.1 [***]

4.2.2 [***]

4.3 At the option of the holders of the Specified Shares the provisions of this paragraph 4 shall not apply where the provisions of 5 are proposed to be operated.

5 [***]

5.1 [***]

5.1.1 [***]

5.1.2 [***]

[***]

5.2 [***]

5.3 [***]

5.3.1 [***]

5.3.2 [***]

5.4 [***]

5.5 [***]

5.6 [***]

6 **Prescribed Consideration**

6.1 For the purposes of this agreement the Prescribed Consideration shall mean a consideration (whether in cash, securities or otherwise, or in any combination) per Security equivalent to that offered by the Relevant Transferee for each Specified Security taking into account any and all consideration (whether in cash, securities or otherwise) received or receivable by the holder or holders of the Specified Securities and their Related Parties which having regard to the substance of the transaction as a whole can reasonably be regarded as in addition to the price paid or payable for the Specified Securities.

6.2 If the Prescribed Consideration takes the form of securities, the Parties shall procure (in each case to the extent that they are able) that the issuer of the securities (a) grants to each Party entitled to the Prescribed Consideration to be so satisfied registration rights that are substantially equivalent to and pari passu with those granted to the holders of Specified Securities and their Related Parties also receiving equivalent securities in consideration for the Relevant Transfer to which the Prescribed Consideration relates and (b) undertakes to implement those registration rights, if exercised, as soon as reasonably practicable.

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6.3 The rights of the C Shares under the Ratchet Provisions will be taken into account when allocating Prescribed Consideration between any Shares being sold under a [***] or [***] to the extent that a Realisation occurs as a result.

7 Option

7.1 If an Initial Core Manager becomes an Intermediate Leaver within six months of the date of this agreement, he shall have an option (the "**Option**") to require the Investors to purchase all, but not some only, of the B Shares and B PECs registered in the name of the Manager Nominee on behalf of such Initial Core Manager and his Related Parties ("**Option Securities**").

7.2 The Option shall be exercised by the Initial Core Manager delivering written notice to the Investors on or prior to the date falling three months after that Initial Core Manager's Cessation Date (the "**Option Notice**").

7.3 The exercise of the Option shall create a binding obligation on the Investors (in proportion to their respective holdings of A Shares) to buy, and on the Manager Nominee, Initial Core Manager and his Related Parties to sell, full legal and beneficial title to the Option Securities on the terms set out in this paragraph 7.

7.4 The price at which such Option Securities shall be sold (the "**Option Price**") shall be the price per Option Security agreed between the Investor Majority and the relevant Initial Core Manager or if no price can be agreed within 10 Business Days of the Initial Core Manager giving the Option Notice, the amount determined by a Valuer, on the application of and appointed by the Investor Majority (failing which the Initial Core Manager) to be in the opinion of the Valuer the value of the Option Securities on the Agreed Valuation Basis as at the date of the Option Notice, provided that the Option Price in respect of any B PECs held by the relevant Individual Core Manager and his Related Parties shall be the higher of (i) their value on the Agreed Valuation Basis as at the date of the Option Notice and (ii) the acquisition cost of such B PECs under the Subscription Agreement excluding any accrued but unpaid interest or yield on such B PECs or any additional B PECs issued in payment of such accrued but unpaid interest or yield.

7.5 The following provisions shall apply in relation to the appointment of the Valuer:

7.5.1 the Valuer shall act as expert not arbitrator and his engagement and duties shall be governed by English law;

7.5.2 the fees of the Valuer shall be paid as the Valuer shall determine or, if the Valuer makes no such determination, by the Company, provided that if the Valuer determines that the Option Price is more than 10% below the highest Option Price offered or proposed in writing to the Initial Core Manager by the Investor Majority prior to the appointment of the Valuer, the fees of the Valuer shall be paid by the Initial Core Manager;

7.5.3 the Company shall procure that the Valuer is given all such assistance and access to all such information in its possession or control as the Valuer may reasonably require in order to determine the Option Price; and

7.5.4 the determination of the Option Price by the Valuer shall, in the absence of fraud or manifest error, be final and binding on the Investors and the Initial Core Manager and shall be addressed to each of them (on a reliance basis) in writing.

7.6 Any transfer of Option Securities pursuant to the exercise of an Option Notice shall occur within 20 Business Days of the Option Price being agreed or determined in accordance with paragraph 7.5, and full legal and beneficial title to such Option Securities shall be transferred to the Investors (in proportion to their respective holdings of A Shares) with full title guarantee free from all encumbrances and the Manager Nominee, the Initial Core Manager and his Related Parties shall execute all such documentation as the Investor Majority may reasonably require in relation to the same.

SCHEDULE 5

Warranties

The Warranties below are given by each Manager in respect of himself only and as at the date he becomes Party (originally or by adherence) to this agreement and references to the Manager shall be construed accordingly.

1 The Manager is free without any impediment whatsoever to enter into and perform his obligations under this agreement and his Service Agreement and there is no other form of agreement or binding obligation to which he is party which might prevent him from entering into or performing his obligations under the same or which might entitle any third person firm or company to bring a claim in relation to the subject matter of this agreement or the Agreement to which he is party.

2 The Manager is not either alone or with any other person or persons engaged, concerned or interested in any way in any other business (whether or not of a similar nature to or competitive with that carried on by any Group Company), provided that there shall be disregarded for the purposes of this paragraph any holding of or beneficial interest in solely for investment purposes not more than three per cent of any securities of any company whose securities are listed, quoted or traded on any recognised investment exchange.

3 The Manager is not to his knowledge suffering from any medical or other condition or disability which would now or may hereafter be likely to impair his ability to perform his duties and responsibilities as a full-time senior executive of a Group Company.

4 Except for or as disclosed in the Transaction Documents, there are no agreements, arrangements or understandings (whether or not legally enforceable) between the Manager (or any person, firm or company in any way directly or indirectly associated with him) and the sellers under the Acquisition Agreement (or any person firm or company in any way directly or indirectly associated or connected with such sellers having any connection or dependence (whether direct or indirect) with or upon the Acquisition Agreement or with or upon any of the transactions contemplated by such agreement).

5 All information contained in his Manager Declaration is true and accurate in all respects and not (whether by reason of any omission or otherwise) misleading.

SCHEDULE 6

Realisation Proceeds

1 The Parties agree that, if a Realisation occurs, they shall procure (and shall procure that the rights attaching to the Shares under the Luxco Articles shall provide) that the Total Equity Proceeds arising from such Realisation shall be allocated to the Shareholders as soon as reasonably practicable following such Realisation in the following order of priority:

1.1 firstly, amounts shall be paid to the Shareholders in proportion to the numbers of such Shares held by them respectively until the D Shareholders shall have received an amount equal to 110% of the amount paid up on (being the subscription cost of) the D Shares held by them;

1.2 secondly, amounts shall be paid to the A Shareholders, B Shareholders and C Shareholders in proportion to the numbers of A Shares, B Shares and C Shares held by them respectively until the Total Equity Proceeds allocated equal the Trigger Equity Proceeds; and

1.3 thirdly, all Excess Equity Proceeds shall be paid to the A Shareholders, B Shareholders and C Shareholders in proportion to the numbers of A Shares, B Shares and C Shares held by them respectively, save that an amount equal to 10% of the Excess Equity Proceeds shall be paid (out of amount that would otherwise be paid pro rata to the A Shareholders and B Shareholders) to the C Shareholders (in addition to their pro rata entitlement) in proportion to the numbers of C Shares held by them.

2 For the purposes of this schedule, the following words and expressions have the following meanings:

2.1 **Excess Equity Proceeds:** Total Equity Proceeds less Trigger Equity Proceeds;

2.2 **Investment Cost:** the aggregate of:

2.2.1 £246,324,396 [***] and

2.2.2 all and any additional amounts invested in, advanced or paid to or on behalf of any member of the Group from time to time by the A Shareholders or their Related Parties (whether or not Original Investors) whether by way of share capital, loan or loan capital or any other form of financial investment or contribution (i) including any payment in respect of any obligation of any member of the Group assumed, guaranteed or indemnified by the A Shareholders or their Related Parties (but not the mere assumption of such a guarantee or indemnity or similar commitment); and (ii) excluding (A) any trade credit or credit for deferred payment terms on any consideration or fees owed by a member of the Group to an A Shareholder or Related Party thereof where goods or assets or services have been sold or provided by such A Shareholder or Related Party thereof to a member of the Group and (B) any amounts invested or consideration paid by Encore to acquire Securities and Investorco Securities under the Syndication Documents;

2.3 **Investment Receipts:** the aggregate of all cash received by the A Shareholders or Related Parties thereof (whether or not Original Investors) from any member of the Group in respect of any Securities held by them or other commitments included in the Investment Cost, including:

2.3.1 £6,980,890.91, which for these purposes shall be deemed to have been so received in cash by the A Shareholders on the date of this agreement;

[***] 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.

2.3.2 all interest and all other cash receipts from PECs, received in respect of PECs subscribed or acquired as part of the Investment Cost; and

2.3.3 any repayments, redemptions or purchases of PECs or Shares,

but excluding (except to the extent that fees effectively represent consideration received on a Realisation) any (i) fees paid to any advisers or any Investor Directors, (ii) the arrangement fee paid on the Original Completion Date to JC Flowers & Co LLC under clause 14.1 of the Original Investment Agreement, (iii) any monitoring fee permitted by clause 14.3 and (iv) any tax credit arising in respect of any cash receipts;

2.4 **Realisation Date:** the date on which a Realisation occurs;

2.5 **Realisation Value:**

2.5.1 in the case of a Flotation, the value of the equity share capital (excluding the D Shares) of the company being listed calculated as the price per share at which the shares in that company are sold or offered in connection with the Flotation (in the case of an offer for sale, being the underwritten price or, if an offer for sale by tender, the striking price under such offer or, in the case of a placing, the price at which shares are sold under the placing) multiplied by the number of Shares which would be in issue immediately following such Flotation, but excluding any Shares issued for the purpose of raising additional or replacement capital for the Company as part of the Flotation arrangements (whether to refinance the payment of loans or for any other reason whatsoever);

2.5.2 in the case of a Sale, the value of the issued Shares in issue at the date of completion of the Sale (including any Shares issued in the context of the Sale arrangements under options or other rights of subscription or conversion) calculated as follows, in combination where relevant:

2.5.2.1 if some or all of the Shares are to be sold by private treaty and the consideration is a fixed cash sum payable in full on completion of the Sale, the Realisation Value of those Shares under such Sale shall be such cash sum;

2.5.2.2 if the Sale consideration is partly in cash and includes the issue of securities accompanied by a cash alternative), the Realisation Value of those Shares under such Sale shall be the cash consideration (or cash alternative price) payable pursuant to such Sale;

2.5.2.3 if the Sale is by private treaty or public offer and the consideration is or includes the issue of securities not accompanied by a cash alternative:

(i) if the securities rank pari passu with a class of securities already admitted to the Official List of the UK Listing Authority or dealt with on a recognised investment exchange the Realisation Value shall be:

(a) in the case of a Sale by private treaty, the value attributed to such consideration in the related sale agreement for the terms of such offer; or

(b) in the case of a Sale by private treaty where there is no such attribution in the related sale agreement or following a public offer, as determined by reference to the value of such consideration by reference to the average middle market quotation

of such securities over the five Business Days prior to the day on which the offer for or intention to acquire the Company is first announced by the proposed purchaser; or

(ii) if the securities do not rank pari passu with such a class, the fair market value of such securities as agreed or determined in accordance with paragraph 3;

providedthat:

2.5.2.4 if following completion of the Sale any Shareholder immediately prior to completion of the Sale will still hold Shares, the Realisation Value for such Sale shall include the value of such Shares, which shall be calculated by reference to the same value per Share as is attributed to the Shares pursuant to this paragraph 2.5 which will be sold pursuant to the Sale;

2.5.2.5 to the extent that the Sale includes an element of deferred consideration, then, unless otherwise agreed in writing by Investor Consent and the holders of at least 75% of the issued C Shares immediately prior to the Sale, its value shall be the present value of such deferred consideration on completion of the Sale based on a discount rate of 30% per annum and upon subsequent settlement of the deferred consideration a recalculation of the amounts to be distributed to the selling Shareholders shall take place as of that settlement date to take account of the provisions of this schedule and all necessary adjustments to the amounts distributed shall be duly made; and

2.5.2.6 to the extent that the Sale includes an element of contingent consideration which can only be ascertained by reference to the achievement of future financial targets or other conditions set out in the sale agreement or consideration which is held in escrow and not released to the selling Shareholders until after the date of the Sale then, unless otherwise agreed in writing by Investor Consent and the holders of at least 75% of the issued C Shares immediately prior to the Sale, such consideration shall be disregarded for the purposes of the calculation of the Realisation Value unless and until such contingent consideration is released to the selling Shareholders when a recalculation of the amounts to be distributed to the selling Shareholders shall take place as of that release date to take account of the provisions of this schedule and all necessary adjustments to the amounts distributed shall be duly made; and

2.5.3 in the case of a Liquidation, the net distributions received by each of the Shareholders (and on the occurrence of each such distribution a recalculation of the amounts to be distributed to the Shareholders shall take place to take account of the provisions of this schedule and all necessary adjustments to the amounts distributed shall be duly made);

2.6 **Relevant Date:** the Realisation Date or (where relevant to a calculation after that date prescribed in this schedule) that later date as the context may require;

2.7 **Total Equity Proceeds:** the Realisation Value of a Realisation less all costs and expenses reasonably incurred by Shareholders in connection with the Realisation;

2.8 **Total Fund Return:** shall be calculated as follows:

2.8.1 In respect of each full and/or partial month from the Original Completion Date to the Relevant Date inclusive there shall be ascertained:

2.8.1.1 the total amount in cash of the Investment Cost that month; and

2.8.1.2 the total amount in cash of the Investment Receipts that month,

and the figure (positive or negative) which results from deducting the amount calculated under paragraph 2.8.1.1 from the amount calculated under paragraph 2.8.1.2 above is referred to below as the "cash flow for that month";

2.8.2 For the purpose of this paragraph 2.8 in calculating the cash flow for that month in which the Relevant Date arises, the A Shareholders and their Related Parties (whether or not Original Investors) shall be deemed to have received in cash on that day, and accordingly there shall be included in the figure to be ascertained under paragraph 2.8.1.2:

2.8.2.1 that proportion of the Realisation Value which would be attributable to the A Shares held by the A Shareholders and their Related Parties (whether or not Original Investors) immediately prior to the Realisation; and

2.8.2.2 the amount paid on the Relevant Date by any member of the Group or, by a purchaser or connected party of a purchaser in the case of a Sale, to the A Shareholders and their Related Parties or other persons to whom any such PECs or loans have been transferred prior to the Relevant Date (whether or not Original Investors) in repayment of or in consideration for the transfer of any PECs or other loans advanced to any member of the Group by the A Shareholders and their Related Parties (whether or not Original Investors), together with any accrued interest and other costs payable to the A Shareholders and their Related Parties and any such transferees (whether or not Original Investors) on repayment or in consideration for the transfer of such PECs and/or loans;

2.8.3 The Total Fund Return is "r'' where "r'' is the percentage per annum (expressed to 5 decimal places where 1 = 100%) such that the sum of the amounts calculated in accordance with the following formula and ascertained pursuant to this paragraph 2.8 for each full or partial month from the Completion Date to the Relevant Date, inclusive, is zero:

$$\frac{C}{(1 + r)^n}$$

where

C = cash flow for that month

n = (t-1)/12

t = 1 in respect of dates between the Completion Date and the last day of the calendar month in which the Completion Date falls, 2 in respect of dates in the subsequent calendar month, 3 in respect of dates in the next subsequent calendar month, and so on, and the last period ends on the Relevant Date (or if later and relevant for the purposes of these Articles upon the receipt of the final consideration after completion of a Sale); and

2.9 **Trigger Equity Proceeds:** the lowest Total Equity Proceeds which (together with other Investment Receipts) result in both the following being achieved:

2.9.1 a Total Fund Return of 30%; and

2.9.2 the aggregate of the Investment Receipts from (and including) the Completion Date until (and including) the Relevant Date being equal to Investment Cost for that period multiplied by 2.25.

3 If there arises any dispute as to the calculation of Realisation Value or Total Fund Return or any other matter relating to the operation of this schedule, the matter shall, on the application of the Investor Majority or a Manager Majority, be determined by a Valuer. The following provisions shall apply in relation to the appointment of the Valuer for these purposes:

3.1.1 the Valuer shall act as expert not arbitrator and his engagement and duties shall be governed by English law;

3.1.2 the fees of the Valuer shall be paid as the Valuer shall determine or, if the Valuer makes no such determination, by the Shareholders party to the dispute pro rata to their allocation of Total Equity Proceeds in accordance with paragraph 1 as determined by the Valuer;

3.1.3 the Shareholders shall be permitted and allowed a reasonable opportunity to make representations to the Valuer prior to his determination of the relevant matter;

3.1.4 the Shareholders and the Company shall procure that the Valuer is given all such assistance and access to all such information in their possession or control as the Valuer may reasonably require in order to determine the matter in dispute; and

3.1.5 any determination by the Valuer shall, in the absence of fraud or manifest error, be final and binding on the Shareholders and shall be addressed to each of them (on a reliance basis) in writing.

4 If a Deemed Realisation takes place in terms that clause 16.2, **Error! Reference source not found.** or **Error! Reference source not found.** applies, the provisions of this schedule shall be applied with reference to that Deemed Realisation in a manner consistent with its terms and such clause.

5 If there is a return of assets on any of the A Shares, B Shares and C Shares before a Realisation (including without limitation by way of cancellation of Shares or partial liquidation) the proceeds of such return of assets shall be paid to the Shareholders as if the distribution is a distribution/allocation on a Realisation and the provisions of this schedule applied to it.

SIGNED by
for and on behalf of ENCORE EUROPE HOLDINGS S.ÀR.L.) .....

) .....

SIGNED for and on behalf of JCF III EUROPE HOLDINGS L.P., acting by JCF ASSOCIATES III L.P., its general partner, acting by JCF ASSOCIATES III LTD, its general partner, acting by) .....

SIGNED by (authorised signatory) for and on behalf of JCF III EUROPE S.À R.L) .....

SIGNED by (authorised signatory) for and on behalf of JANUS HOLDINGS LUXEMBOURG S.ÀR.L.) .....

SIGNED by (director) for and on behalf of BEDELL TRUSTEES LIMITED in its capacity as trustee of the EBT) .....

SIGNED by TIM HANFORD (director) for and on behalf of CARAT MANAGER NOMINEE LIMITED) .....

SIGNED by (authorised signatory) for and on behalf of CABOT HOLDINGS S.À R.L) .....

SIGNED by TIM HANFORD (director) for and on behalf of CARAT UK HOLDCO LIMITED) .....

SIGNED by TIM HANFORD (director) for and on behalf of CARAT UK MIDCO LIMITED) .....

SIGNED by TIM HANFORD (director) for and on behalf of CABOT (GROUP HOLDINGS) LIMITED) .....

SIGNED by NEIL CLYNE)
)

SIGNED by STEPHEN MOUND)
)

SIGNED by GLEN CRAWFORD)
)

SIGNED by CHRISTOPHER ROSS-ROBERTS)
)

SIGNED by BENNEDETTA PETO acting by her attorney)
)

SIGNED by DAVID CONNELL acting by his attorney)
)

SIGNED by SEAN WEBB acting by his attorney)
)

SIGNED by WILLEM WELLINGHOFF acting by his attorney)
)

SIGNED by ROB KIENLEN acting by his attorney)
)

SIGNED by STEWART COX acting by his attorney)
)

SIGNED by DEBORAH AUSTIN acting by her attorney)
)

SIGNED by SANDRA GOULDEN acting by her attorney)
)

SIGNED by JASON WALLACE acting by his attorney)
)

SIGNED by STEVEN BLAKELEY acting by his attorney)
)

SIGNED by SUZANNE BARRY acting by her attorney)
)

SIGNED by NAYNESH PATEL acting by his attorney) .....

SIGNED by ANDREW HUGHES acting by his attorney) .....

SIGNED by SEAN CALLOW acting by his attorney) .....

SIGNED by DANIEL MAYO acting by his attorney) .....

SIGNED by JAMES MCGRATH acting by his attorney) .....

AGREED FORM DOCUMENT "A" - DEED OF ADHERENCE

Date 201[•]

[ ]

DEED OF ADHERENCE

to the Investment Agreement relating to an investment in Cabot Holdings S.àr.l

THIS DEED OF ADHERENCE is made on 201[•]

by [•] of [•] (the "**New Securities Holder**") and is a Deed of Adherence referred to in, and is supplemental to, the Investment Agreement.

BACKGROUND

A It is proposed that the [Manager Nominee on behalf of] the New Securities Holder should by issue or transfer or other devolution be or become a [holder/beneficial owner] of [Investorco] Securities [held by the Manager Nominee].

B The New Securities Holder has agreed to execute this deed as a pre-condition of such acquisition of [a beneficial interest in] [Investorco] Securities by [the Manager Nominee on behalf of] the New Securities Holder as required by clause 19.1 of the Investment Agreement.

DEED

1 **Definitions and interpretation**

1.1 The background section forms part of this deed and shall have the same force and effect as if set out in the body of this deed. Any reference to this deed shall include the background section.

1.2 In this deed, the following words and expressions have the following meanings:

Company: Cabot Holdings S.àr.l;

Investment Agreement: the amended and restated investment agreement dated [1 July] 2013 and made between, amongst others, the Initial Investors (as defined therein) (1), the Initial Managers (as defined therein) (2), the Manager Nominee (3), the Company (4), Carat UK Holdco Limited (5), Carat UK Midco Limited (6) and Cabot (Group Holdings) Limited (7);

Investorco Securities: as defined in the Investment Agreement;

Manager Nominee: Carat Manager Nominee Limited;

Parties: the parties to the Investment Agreement from time to time (whether by virtue of having executed the Investment Agreement or having entered into this deed or a deed in a similar form to this deed) and "**Party**" shall be construed accordingly; and

Securities: as defined in the Investment Agreement.

1.3 In this deed:

1.3.1 any reference to the background section or a clause is to the background section or a clause (as the case may be) of or to this deed;

1.3.2 words and expressions which are defined in the Investment Agreement shall (unless the context requires otherwise) have the same meanings as are given to them in such agreement.

1.4 The clause headings contained in this deed are included for convenience only and do not affect the interpretation of this deed.

2 **Condition**

The provisions of this deed are conditional upon the [[Manager Nominee/New Securities Holder] being registered as a holder of or acquiring an interest in [Investorco] Securities [as nominee on behalf of the New Securities Holder]][the New Securities Holder acquiring a beneficial interest in Securities held by the Manager Nominee].

3 **Adherence**

3.1 The New Securities Holder acknowledges undertakes and covenants with, and for the benefit of each of the Parties that [it/he] shall be bound by and will observe and perform all the terms and conditions and obligations (to be observed and performed after the date that this deed becomes unconditional) of, and included in, the Investment Agreement (including, for the avoidance of doubt, the provisions regarding transfers of Securities and Investorco Securities contained in clauses 6, 16 and 19 and schedule 4 of the Investment Agreement) as if the New Securities Holder had been a party to the Investment Agreement and been referred to in it as [a "**Core Manager**"/a "**Senior Manager**"/a "**Manager**"/an "**Investor**"/an "**Investorco Investor**"/a "**Party**"].

3.2 The provisions of this deed shall be enforceable by each of the Company and the Parties (including, for the avoidance of doubt, any person subsequently entering into a Deed of Adherence pursuant to the Investment Agreement) as if the New Securities Holder were a party to the Investment Agreement and had been referred to in the Investment Agreement as [a "**Core Manager**"/a "**Senior Manager**"/a "**Manager**"/an "**Investor**"/an "**Investorco Investor**"/a "**Party**"].

3.3 The Investment Agreement shall take effect for the benefit of the New Securities Holder and shall be enforceable by the New Securities Holder as if [it/he] had been a Party and had been referred to in the Investment Agreement as [a "**Core Manager**"/a "**Senior Manager**"/a "**Manager**"/an "**Investor**"/an "**Investorco Investor**"/a "**Party**"].

3.4 The Parties may rely on and enforce the provisions of this deed for the purposes of the Contracts (Rights of Third Parties) Act 1999.

4 **Governing law and jurisdiction**

4.1 This deed is governed by and shall be construed in accordance with the laws of England. Non-contractual obligations (if any) arising out of or in connection with this deed (including its formation) shall also be governed by the laws of England.

4.2 The New Securities Holder submits to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter (whether contractual or non-contractual) arising out of or in connection with this deed [or any of the documents to be entered into pursuant to this deed] (including [its/their] formation).

4.3 The New Securities Holder irrevocably consents to any process in any legal action or proceedings arising out of or in connection with this deed (including its formation) being served on [it/him] at the address of the New Securities Holder set out at the head of this deed (or at such other address in the United Kingdom as notified by [it/him] for the purpose of the Investment Agreement) in accordance with the provisions of the Investment Agreement relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

Executed as a deed and delivered on the date set out at its head.

EXECUTED as a **DEED** by [the NEW SECURITIES HOLDER] acting by [NAME OF DIRECTOR] (director) in the presence of:)))))) .....

Witness: Signature: .....

Name: .....

Address: .....

Occupation: .....

AGREED FORM DOCUMENT "B" – MANAGER DECLARATION

DECLARATION

FULL NAME
COMPANY

NOTES:

A Please answer all questions and if a question is answerable in the negative, please answer "No". Do not leave any section blank.

B If insufficient space is provided for completion of any paragraph, additional information may be entered on a separate sheet of paper duly signed and attached to this Declaration.

C The term "company" includes any company or corporation wherever incorporated.

Personal Details

1 Please state:

1.1 any former surname(s)

1.2 present forename(s) and any former forename(s)

1.3 date of birth

1.4 marital status

1.5 residential address

1.6 nationality and any former nationality, if any

1.7 professional qualifications, if any

Directorships and partnerships

2 Please give the names, addresses and the nature of business of any company of which you are, or have ever been, a director whether executive or non-executive. Please further indicate the date on which you became and, where relevant, ceased to be a director. Are the shares of any of these companies listed, quoted or traded, and if so on which stock exchange or market?

3 If you are a director of another company or involved in the management of or provide services to another company or business please indicate your position and approximately how many hours a week/month this position requires of you.

4 Please give particulars of any partnerships in which you are, or have been, engaged or of any business in which you have acted as principal

Employment Details

5 Please supply a list of the names of your employers from the date on which you commenced work or, if shorter, during the last 10 years and the dates during which you worked for them, together in each case with a short description of your job and your job title and details of your remuneration package over the last year.

6 Please state your reasons for leaving each place of employment.

7 Have you ever been dismissed, suspended or asked to leave your employment for any reason during your working career? If so, please provide full details.

8 If you are subject to any restrictive covenants or other obligations pursuant to any previous employment, please give details.

Shareholdings

9 Please state the names, nature of business and dates of commencement (and, if appropriate, termination) of shareholding, partnership or proprietorship of every company (whether incorporated in the United Kingdom or elsewhere), firm or business of which you or your spouse are now or have at any time been a shareholder, partner or proprietor (other than listed companies where you are or have merely been a shareholder of less than 1% of the issued share capital) particulars of which do not appear in the Declaration of a Director's Business Activities.

Bankruptcy, debts, convictions and disqualifications

10 Have you at any time been adjudged bankrupt, had a receiving order made against you, had your estate sequestrated, entered into a deed of arrangement with your creditors or had a bankruptcy petition served upon you either in the United Kingdom or elsewhere? If so, state the court in question and, if discharged, the date and conditions on which you were granted your discharge.

11 Please give details of any undischarged debts or obligations incurred by you in excess of £5,000.

12 Have you at any time been a party to a deed of arrangement or made any other form of composition with your creditors? If so, give particulars.

13 Have you ever been the subject of any civil action which has resulted in a finding against you by a court involving any liability in excess of £5,000?

14 Are there any unsatisfied judgments outstanding against you or other actions pending or expected by or against you? If so, give particulars.

15 Have you ever been disqualified by a court from acting as a director of any company, or from acting in the management or the conduct of the affairs of any company?

16 Have you or any of your employers in the last 10 years been censured or disciplined by an organisation, body or authority in relation to your business or professional activities? Are you currently undergoing any investigation or disciplinary procedure?

17 Have you ever been concerned with the management or conduct of affairs of any company which has been, at any time during your involvement, investigated by an inspector appointed under companies legislation or required to produce books and papers to the Secretary of State?

18 Have you ever been concerned with the management or conduct of affairs of any company which, by reason of any matter relating to a time when you were so concerned, has been convicted of any offence in the United Kingdom or elsewhere, or has been the subject of a civil action in the United Kingdom or elsewhere which has resulted in a finding against the company?

19 Have you at any time been convicted in any jurisdiction of any offence whatsoever (excluding traffic offences involving only the imposition of fines and/or penalty points) in particular (whether or not involving fraud or dishonesty) under the Companies Acts, the Bankruptcy Act, the Prevention of Fraud

(Investments) Act, the Protection of Depositors Act 1963, the Financial Services and Markets Act 2000, or any Act relating to taxation? If so, state the court by which you were convicted, the date of conviction and full particulars of the offence and the penalty imposed.

20 Have you, in connection with the formation or management of any body corporate, partnership, or unincorporated institution been adjudged by a court in the United Kingdom or elsewhere civilly liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? If so, give full particulars.

21 Have you, in the United Kingdom or elsewhere been refused to be admitted to membership to any professional body or been censured or disciplined by any such body to which you belong or belonged or have you held a practising or other certificate of membership subject to conditions? If so, give full particulars.

Administrations, liquidations, receiverships

22 Has any company, firm or business referred to in paragraphs 2, 3 or 4 above at any time had an administration order made or been put into compulsory liquidation or had a receiver appointed? If so, please state in each case the date of the administration order or commencement of winding up or receivership and the amount involved and give an indication of the outcome or current position.

Financial resources

23 Please give details of your estimated net worth and proposed source of management subscription funding, together with bank references where appropriate.

Health

24 Please give details of any current medical condition and any serious disease, physical illness or disability which you have suffered from in the past. Details will be kept confidential, and may, if preferred, be given directly to the Company's doctor.

General

25 Is there any other information material to your directorship of this company, the

omission of which might affect the import of the information contained in this declaration? If so, please give full particulars.

I of declare that the answers to all the above questions are true and complete.

Signature:

Date: 20[•]

AGREED FORM DOCUMENT "C" – MANAGER NOMINEE AGREEMENT

NOMINEE AGREEMENT

THIS AGREEMENT is made the day of 20[•]

BETWEEN:

(1) **CARAT MANAGER NOMINEE LIMITED** a company incorporated in England with registered number 8478856 of 1 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4UA ("**the Nominee**"); and

(2) **[*Insert name of manager*]** of [*insert address*] ("**the Beneficial Owner**").

WHEREAS:

(A) The Nominee and the Beneficial Owner have, [on or around the date of this Agreement,] entered into [•] (together "**the Subscription Documents**") pursuant to which the Beneficial Owner has agreed to subscribe or otherwise acquire the securities described in the Schedule to this Agreement ("**the Initial Securities**" and, together with any further securities accruing to or deriving from them or which it is agreed in writing between the parties will form part of the Securities for the purposes of this Agreement, "**the Securities**").

(B) The Beneficial Owner wishes to appoint the Nominee to hold the Securities on the terms and subject to the conditions set out in this Agreement.

THE PARTIES AGREE as follows:

1. The Beneficial Owner authorises the Nominee as agent on behalf of the Beneficial Owner to apply for the Initial Securities and request that they should be registered in the name of the Nominee as nominee for the Beneficial Owner. The Beneficial Owner agrees to settle or procure settlement of the required monies or other consideration to be paid or provided in respect of the acquisition of the Initial Securities, at such time and in such manner as that settlement is required under the terms of the Subscription Documents.

2. The Nominee agrees to act as a bare trustee of the Securities on behalf of the Beneficial Owner and to deal in the Securities and exercise all rights attaching to them in and only in such manner as the Beneficial Owner shall from time to time by notice in writing delivered to the Nominee direct consistently with this Agreement.

3. The Nominee will promptly deliver to the Beneficial Owner or as the Beneficial Owner shall direct all certificate(s) of title to the Securities (if any) and all notices, accounts, circulars or other communications or documentation received by the Nominee in respect of the Securities or any of them.

4. The Nominee agrees to procure the payment of all dividends, distributions or other sums arising or due to accrue upon the Securities (including without limitation any interest arising in relation to any debt securities which are subject to this Agreement) to such bank account as the Beneficial Owner shall from time to time direct the Nominee by notice in writing and pending any such direction the Nominee shall hold such monies on trust absolutely for the Beneficial Owner and separately from its other monies.

5. Subject always to clause 8, the voting rights (if any) attaching to the Securities and the right to give any written consent or approval in the capacity of holder of the Securities, shall be exercisable by the Nominee only in accordance with directions given by the Beneficial Owner by notice in writing delivered to the Nominee and not otherwise.

6. Subject to clause 8, the Nominee shall act in accordance with the instructions of the Beneficial Owner with respect to the transfer, sale or other disposal of the Securities and shall account to the Beneficial Owner or as the Beneficial Owner by notice in writing delivered to the Nominee shall direct in respect of any sale proceeds arising from such disposal of the Securities and pending any such direction the Nominee shall hold such monies on trust absolutely for the Beneficial Owner.

7. The realisation of all or any part of the Securities held pursuant to the terms of this Agreement shall take place at such time or times and on such terms as shall be agreed by the Beneficial Owner.

8. The parties acknowledge that the Securities and the ability to deal with the Securities will be subject to the documentation governing the rights of the Securities and their holders ("**the Governing Documentation**"). The Beneficial Owner acknowledges and agrees that (a) the Nominee may refuse to carry out any directions of the Beneficial Owner in relation to the Securities or any of them if to do so would result in the Nominee or the Beneficial Owner being in breach of that documentation and (b) the Nominee may be obliged by that documentation, whether or not the Beneficial Owner is in agreement with it, to carry out certain actions [***] or refrain from carrying out certain actions and the Nominee shall be entitled to carry out or refrain from carrying out those actions.

9. The Nominee agrees that, save as permitted by the Governing Documentation, it and its advisers, managers and agents and their respective employees and officers will keep secret and confidential and (except consistently with this Agreement) not use disclose or divulge to any third party or to enable or cause any person to become aware of any confidential information relating to the existence of this Agreement or the transactions contemplated by it or carried out pursuant to it, but excluding any information which is in the public domain (otherwise than through the wrongful disclosure of the Nominee or an adviser or manager or agent of it or any of their employees or officers) or which they are required to disclose by law or by the rules of any regulatory body to which the Nominee is subject.

10. The Beneficial Owner will hold harmless and indemnify the Nominee and its directors against any liability, costs, claims, expenses or other losses it or they may suffer or incur by reason of the Nominee acting in accordance with instructions from the Beneficial Owner or otherwise in accordance with this Agreement or the Governing Documentation in relation to the Securities or any of them.

11. Notices to be delivered under the terms of this Agreement shall be given in writing to the address of the party to whom the notice is to be given as set out at the head of this Agreement or such other address as that party shall notify in writing to the other for the purposes of this Agreement from time to time. A notice shall be deemed to have been served when delivered to such address of the addressee or in person to the Beneficial Owner or (in the case of the Nominee) any director thereof.

12. This Agreement is governed by English law and the parties to it submit to the non-exclusive jurisdiction of the English courts as regards any dispute arising hereunder.

This Agreement has been executed and delivered as a deed on the date and year first written above.

[***] 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.

SCHEDULE

Details of the Initial Securities

Number/nominal amount of Initial Securities	Class of Initial Security	Issuer of Initial Security

SIGNED for and on behalf of
CARAT MANAGER NOMINEE LIMITED
as Nominee as a Deed by a director
in the presence of: }

Witness name:

Witness address:

Witness occupation:

SIGNED by as Beneficial Owner
as a Deed in the presence of: }

Witness name:

Witness address:

Witness occupation:

AGREED FORM DOCUMENT "D" – LUXCO ARTICLES

A. PURPOSE – DURATION – NAME – REGISTERED OFFICE

Art. 1 There is hereby established by the current owner of the shares created hereafter and among all those who may become Shareholders in future, a *société à responsabilité limitée* (hereinafter the "**Company**") which shall be governed by the law of 10 August 1915 regarding commercial companies, as amended (the "**Law**"), by these articles of association and by any subscription and/or shareholders' agreement as may be entered into between, amongst others, the Shareholders of the Company from time to time (the "**Agreement**"). Capitalized terms used in these articles of association which are not defined, shall have the meaning given to them in the Agreement.

Art. 2 The purpose of the Company is the holding of interests, in any form whatsoever, in Luxembourg and foreign companies and any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, control and development of its portfolio.

The Company may further guarantee, grant loans, grant security in favour of or otherwise assist the companies in which it holds a direct or indirect participation or which form part of the same group of companies as the Company.

The Company may further act as a general or limited member with unlimited or limited liability for all debts and obligations of partnerships or similar entities.

The Company may, for its own account as well as for the account of third parties, carry out all operations which may be useful or necessary to the accomplishment of its purposes or which are related directly or indirectly to its purpose.

Art. 3 The Company is incorporated for an unlimited duration.

Art. 4 The Company is incorporated under the name of "**Cabot Holdings S.à r.l.**".

Art. 5 The registered office of the Company is established in Luxembourg-City. It may be transferred to any other place in the Grand Duchy of Luxembourg by means of a resolution of a general meeting of its Shareholders. Within the same borough, the registered office may be transferred through resolution of the manager or the board of managers. Branches or other offices may be established either in the Grand Duchy of Luxembourg or abroad through resolution of the manager or the board of managers.

B. SHARE CAPITAL – SHARES

Art. 6 The Company's share capital is set at **eighteen thousand five hundred fifty-six British pounds and forty-eight pence (GBP 18,556.48)** represented by:

- **six hundred and ninety-eight thousand three hundred and thirty-six (698,336)** class A1 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class A1 Shares**");

- **six hundred and ninety-eight thousand three hundred and thirty-six (698,336)** class A2 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class A2 Shares**");

- **six hundred and ninety-eight thousand three hundred and thirty-six (698,336)** class A3 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class A3Shares**");

- **six hundred and ninety-eight thousand three hundred and thirty-six (698,336)** class A4 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class A4 Shares**");

- **six hundred and ninety-eight thousand three hundred and thirty-six (698,336)** class A5 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class A5 Shares**");

- **six hundred and ninety-eight thousand three hundred and thirty-six (698,336)** class A6 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class A6 Shares**");

- **six hundred and ninety-eight thousand three hundred and thirty-six (698,336)** class A7 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class A7 Shares**");

- **six hundred and ninety-eight thousand three hundred and thirty-six (698,336)** class A8 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class A8 Shares**");

- **six hundred and ninety-eight thousand three hundred and thirty-six (698,336)** class A9 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class A9 Shares**");

- **six hundred and ninety-eight thousand three hundred and thirty-six (698,336)** class A10 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class A10 Shares**" and all class A 1 to 10 shares together, the "**A Shares**");

- twenty-one thousand one hundred and seventeen (21,117) class B1 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class B1 Shares**");

- **twenty-one thousand one hundred and seventeen (21,117)** class B2 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class B2 Shares**");

- **twenty-one thousand one hundred and seventeen (21,117)** class B3 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class B3 Shares**");

- **twenty-one thousand one hundred and seventeen (21,117)** class B4 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class B4 Shares**");

- **twenty-one thousand one hundred and seventeen (21,117)** class B5 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class B5 Shares**");

- **twenty-one thousand one hundred and seventeen (21,117)** class B6 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class B6 Shares**");

- **twenty-one thousand one hundred and seventeen (21,117)** class B7 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class B7 Shares**");

- **twenty-one thousand one hundred and seventeen (21,117)** class B8 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class B8 Shares**");

- **twenty-one thousand one hundred and seventeen (21,117)** class B9 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class B9 Shares**");

- **twenty-one thousand one hundred and seventeen (21,117)** class B10 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class B10 Shares**" and all class B 1 to 10 shares together, the "**B Shares**");

- **one hundred twenty thousand (120,000)** class C1 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class C1 Shares**");

- **one hundred twenty thousand (120,000)** class C2 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class C2 Shares**");

- **one hundred twenty thousand (120,000)** class C3 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class C3 Shares**");

- **one hundred twenty thousand (120,000)** class C4 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class C4 Shares**");

- **one hundred twenty thousand (120,000)** class C5 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class C5 Shares**");

- **one hundred twenty thousand (120,000)** class C6 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class C6 Shares**");

- **one hundred twenty thousand (120,000)** class C7 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class C7 Shares**");

- **one hundred twenty thousand (120,000)** class C8 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class C8 Shares**");

- **one hundred twenty thousand (120,000)** class C9 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class C9 Shares**");

- **one hundred twenty thousand (120,000)** class C10 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class C10 Shares**" and all class C 1 to 10 shares together, the "**C Shares**");

- **eighty-eight thousand three hundred and seventy-one (88,371)** class D1 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class D1 Shares**");

- **eighty-eight thousand three hundred and seventy-one (88,371)** class D2 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class D2 Shares**");

- **eighty-eight thousand three hundred and seventy-one (88,371)** class D3 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class D3 Shares**");

- **eighty-eight thousand three hundred and seventy-one (88,371)** class D4 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class D4 Shares**");

- **eighty-eight thousand three hundred and seventy-one (88,371)** class D5 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class D5 Shares**");

- **eighty-eight thousand three hundred and seventy-one (88,371)** class D6 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class D6 Shares**");

- **eighty-eight thousand three hundred and seventy-one (88,371)** class D7 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class D7 Shares**");

- **eighty-eight thousand three hundred and seventy-one (88,371)** class D8 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class D8 Shares**");

- **eighty-eight thousand three hundred and seventy-one (88,371)** class D9 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class D9 Shares**"); and

- **eighty-eight thousand three hundred and seventy-one (88,371)** class D10 shares with a par value of two tenths of a penny (GBP 0.002) each (the "**Class D10 Shares**" and all class D 1 to 10 shares together, the "**D Shares**")

Each share is entitled to one vote at ordinary and extraordinary general meetings of Shareholders. Notwithstanding the number following the letter of a relevant class of shares, each of the above classes of shares (A, B, C and D) shall be referred to as a "**Class of Shares**". All the above shares shall be collectively referred to as the "**Shares**".

For the purposes hereof, the holders of A Shares are the "**A Shareholders**", the holders of B Shares are the "**B Shareholders**", the holders of C Shares are the "**C Shareholders**", the holders of D Shares are the "**D Shareholders**" and all shareholders of the Company are the "**Shareholders**".

In addition to the issued capital, there may be set up a premium account to which any premium paid on any Share in addition to its nominal value is transferred. The amount of the premium account may, *inter alia*, be used to provide for the payment of any Shares which the Company may repurchase from its Shareholder(s), to offset any net realized losses, to make distributions to the Shareholder (s) in the form of a dividend or to allocate funds to the legal reserve. The share premium is freely distributable to the Shareholders by resolutions of the Shareholders' or by resolutions of the board of managers.

Art. 7 The share capital may be modified at any time by approval of a majority of Shareholders representing three quarters of the share capital at least.

The share capital of the Company may be reduced through the cancellation of Shares including by the cancellation of one or more sub-classes of Shares within a Class of Shares, through the repurchase and cancellation of all the Shares in issue in such sub-class(es). In the case of repurchases and cancellations of sub-classes within Classes of Shares, such cancellations and repurchases shall be made in the reverse numerical order.

Redemption shall be made pro rata between the Class A Shares, the Class B Shares, the Class C Shares and the Class D Shares, consistently with article 18 and on the basis that where the D Shares have had distributed in respect of them their maximum entitlement under article 18 the aggregate redemption amount of the D Shares to be redeemed shall be one GBP (GBP 1) in aggregate apportioned between the holders of the D Shares redeemed pro rata to their D Shares then redeemed.

Art. 8 The Company will recognize only one holder per share. The joint co-owners shall appoint a single representative who shall represent them towards the Company.

Art. 9 The Company's shares are freely transferable among Shareholders, except as otherwise set out in the Agreement. *Inter vivos*, they may only be transferred to new Shareholders subject to the approval of such transfer given by the other Shareholders in a general meeting, at a majority of three quarters of the share capital, and subject to the provisions of the Agreement.

The Company will only recognize a transferee of Shares in the Company as the owner of such Shares and such transferee may only exercise the rights attached to such Shares, if such transfer is in compliance with and if the transferee has expressly agreed to be bound by the Agreement.

In the event of death, the shares of the deceased Shareholder may only be transferred to new Shareholders subject to the approval of such transfer given by the other Shareholders in a general meeting, at a majority of three quarters of the share capital. Such approval is, however, not required in case the shares are transferred either to parents, descendants or the surviving spouse.

Art. 10 The death, suspension of civil rights, bankruptcy or insolvency of one of the Shareholders will not cause the dissolution of the Company.

C. MANAGEMENT

Art. 11 The Company shall be managed by a board of managers composed of at least one class A Manager and one class B Manager, who need not be Shareholders of the Company.

The managers are appointed by the general meeting of Shareholders or by the sole Shareholder, as the case may be, who fix(es) the term of their office. The managers may be dismissed freely at any time by the Shareholders or the sole Shareholder, as the case may be, without there having to exist any legitimate reason ("*cause légitime*").

The Company will be bound in all circumstances by the joint signatures of one class A manager and one class B manager or by the joint or single signature of any person to whom such signatory power has been validly delegated.

The board of managers may choose from among its members a chairman, and may choose from among its members a vice-chairman. It may also choose a secretary, who need not be a manager, who shall be responsible for keeping the minutes of the meetings of the board of managers.

The board of managers shall meet upon call by any one manager at the place indicated in the notice of meeting. The chairman shall preside at all meetings of the board of managers, or in the absence of a chairman, the board of managers may appoint another manager as chairman by vote of the majority present at any such meeting.

Written notice of any meeting of the board of managers must be given to the managers at least twenty-four hours in advance of the date foreseen for the meeting, except in case of emergency, in which case the nature and the motives of the emergency shall be mentioned in the notice. This notice may be omitted in case of assent of each manager in writing, by cable, telegram, telex or facsimile, or any other similar means of communication. A special convocation will not be required for a board meeting to be held at a time and location determined in a prior resolution adopted by the board of managers.

Any manager may act at any meeting of the board of managers by appointing in writing or by cable, telegram, telex or facsimile another manager as his proxy. A manager may represent more than one of his colleagues.

Any manager may participate in any meeting of the board of managers by conference-call, videoconference or by other similar means of communication allowing all the persons

taking part in the meeting to hear one another. The participation in a meeting by these means is equivalent to a participation in person at such meeting.

The board of managers can deliberate or act validly only if at least a majority of the managers is present or represented at a meeting of the board of managers, among which at least one (1) class A manager and one (1) class B manager must be present or represented. Decisions shall be taken by a majority of votes of the managers present or represented at such meeting provided that at least an class A manager and a class B manager vote in favour of a resolution.

The board of managers may, unanimously, pass resolutions by circular means when expressing its approval in writing, by cable, telegram, telex or facsimile, or any other similar means of communication, to be confirmed in writing. The entirety will form the minutes giving evidence of the resolution.

The minutes of any meeting of the board of managers shall be signed by the chairman or, in his absence, by the vice-chairman, or by two managers. Copies or extracts of such minutes which may be produced in judicial proceedings or otherwise shall be signed by the chairman or by two managers or by any person duly appointed to that effect by the board of managers.

The death or resignation of a manager, for any reason whatsoever, shall not cause the dissolution of the Company.

The managers do not assume, by reason of their position, any personal liability in relation to commitments regularly made by them in the name of the Company. They are authorised agents only and are therefore merely responsible for the execution of their mandate.

The board of managers may decide to pay interim dividends on the basis of a statement of accounts prepared by the manager or the board of managers showing that sufficient funds are available for distribution, it being understood that the amount to be distributed may not exceed realized profits since the end of the last fiscal year, increased by carry forward profits and distributable reserves, but decreased by carry-forward losses and sums to be allocated to a reserve to be established by law or by these articles of association.

D. DECISIONS OF THE SOLE SHAREHOLDER – COLLECTIVE DECISIONS OF THE SHAREHOLDERS

Art. 12 Each Shareholder may participate in the collective decisions irrespective of the numbers of shares which he owns. Each Shareholder is entitled to as many votes as he holds or represents shares.

Art. 13 Collective decisions are only validly taken in so far as they are adopted by Shareholders owning more than half of the share capital.

The amendment of the articles of association requires the approval of a majority of Shareholders representing three quarters of the share capital at least.

Art. 14 If the Company has only one Shareholder, such sole Shareholder exercises the powers granted to the general meeting of Shareholders under the provisions of section XII of the Law.

E. FINANCIAL YEAR – ANNUAL ACCOUNTS – DISTRIBUTION OF PROFITS

Art. 15 The Company's year commences on the first day of January of each year and ends on the last day of December of the same year.

Art. 16 Each year on the last day of December, the accounts are closed and the managers prepare an inventory including an indication of the value of the Company's assets and liabilities. Each Shareholder may inspect the above inventory and balance sheet at the Company's registered office.

Art. 17 Five per cent (5%) of the net profit are set aside for the establishment of a statutory reserve, until such reserve amounts to ten per cent (10%) of the share capital.

After allocation to the statutory reserve, the Shareholder(s) shall determine how the remainder of the annual net profits will be disposed of by allocating the whole or part of the remainder to a reserve or to a provision, by carrying it forward to the next following financial year or by distributing it, together with carried forward profits, distributable reserves or share premium to the Shareholder (s), in each case subject to the provisions hereof and the terms of the Agreement.

In respect of each distribution of dividend within a Class of Shares that includes sub-classes (A, B, C or D), the amount allocated to this effect shall be distributed within such Class of Shares in the following order of priority:

- each Share of class 1 within such Class of Shares (if any) shall entitle to a cumulative dividend in an amount of not less than zero point sixty-five per cent (0.65%) per annum of the nominal value of such Share, then,

- each Share of class 2 within such Class of Shares (if any) shall entitle to a cumulative dividend in an amount of not less than zero point sixty per cent (0.60%) per annum of the nominal value of such Share, then,

- each Share of class 3 within such Class of Shares (if any) shall entitle to a cumulative dividend in an amount of not less than zero point fifty-five per cent (0.55%) per annum of the nominal value of such Share, then,

- each Share of class 4 within such Class of Shares (if any) shall entitle to a cumulative dividend in an amount of not less than zero point fifty per cent (0.50%) per annum of the nominal value of such Share, then,

- each Share of class 5 within such Class of Shares (if any) shall entitle to a cumulative dividend in an amount of not less than zero point forty-five per cent (0.45%) per annum of the nominal value of such Share, then,

- each Share of class 6 within such Class of Shares (if any) shall entitle to a cumulative dividend in an amount of not less than zero point forty per cent (0.40%) per annum of the nominal value of such Share, then,

- each Share of class 7 within such Class of Shares (if any) shall entitle to a cumulative dividend in an amount of not less than zero point thirty-five per cent (0.35%) per annum of the nominal value of such Share, then,

- each Share of class 8 within such Class of Shares (if any) shall entitle to a cumulative dividend in an amount of not less than zero point thirty per cent (0.30%) per annum of the nominal value of such Share, then,

- each Share of class 9 within such Class of Shares (if any) shall entitle to a cumulative dividend in an amount of not less than zero point twenty-five per cent (0.25%) per annum of the nominal value of such Share, then

- each Share of class 10 within such Class of Shares (if any) shall entitle to a cumulative dividend in an amount of not less than zero point twenty per cent (0.20%) per annum of the nominal value of such Share, (together the "**Profit Entitlement**"); and

any remaining amount to be distributed after allocation of the Profit Entitlement shall be allocated in whole to all the Shares forming the then last outstanding class of Shares in numerical order.

Between the different classes of shares, any distribution shall be allocated and made in accordance with the provisions of Article 18 as if made on a Realisation.

Art. 18

18.1 The Total Equity Proceeds arising from a Realisation shall be allocated to the Shareholders as soon as reasonably practicable following such Realisation in the following order of priority:

18.1.1 firstly, amounts shall be paid to the Shareholders in proportion to the numbers of such Shares held by them respectively until the D Shareholders shall have received an amount equal to 110% of the amount paid up on (being the subscription cost of) the D Shares held by them;

18.1.2 secondly, amounts shall be paid to the A Shareholders, B Shareholders and C Shareholders in proportion to the numbers of A Shares, B Shares and C Shares held by them respectively until the Total Equity Proceeds allocated equal the Trigger Equity Proceeds; and

18.1.3 thirdly, all Excess Equity Proceeds shall be paid to the A Shareholders, B Shareholders and C Shareholders in proportion to the numbers of A Shares, B Shares and C Shares held by them respectively, save that an amount equal to 10% of the Excess Equity Proceeds shall be paid (out of amounts that would otherwise be paid pro rata to the A Shareholders and B Shareholders) to the C Shareholders (in addition to their pro rata entitlement) in proportion to the numbers of C Shares held by them.

18.2 For the purposes of this Article 18, the following words and expressions have the following meanings:

18.2.1 **Excess Equity Proceeds:** Total Equity Proceeds less Trigger Equity Proceeds;

18.2.2 **Investment Cost:** the aggregate of:

18.2.2.1 £246,324,396; and

18.2.2.2 all and any additional amounts invested in, advanced or paid to or on behalf of any member of the Group from time to time by the A Shareholders or their Related Parties (whether or not Original Investors) whether by way of share capital, loan or loan capital or any other form of financial investment or contribution (i) including any payment in respect of any obligation of any member of the Group assumed, guaranteed or indemnified by the A Shareholders or their Related Parties (but not the mere assumption of such a guarantee or indemnity or similar commitment); and (ii) excluding (A) any trade credit or credit for deferred payment terms on any consideration or fees owed by a member of the Group to an A

Shareholder or Related Party thereof where goods or assets or services have been sold or provided by such A Shareholder or Related Party thereof to a member of the Group and (B) any amounts invested or consideration paid by Encore to acquire Securities and Investorco Securities under the Syndication Documents;

18.2.3 **Investment Receipts:** the aggregate of all cash received by the A Shareholders or Related Parties thereof (whether or not Original Investors) from any member of the Group in respect of any Securities held by them or other commitments included in the Investment Cost, including:

18.2.3.1 £6,980,890.91, which for these purposes shall be deemed to have been so received in cash by the A Shareholders on Syndication Completion;

18.2.3.2 all interest and all other cash receipts from any preferred equity certificates as may be issued by the Company from time to time ("**PECs**"), received in respect of PECs subscribed or acquired as part of the Investment Cost; and

18.2.3.3 any repayments, redemptions or purchases of PECs or Shares,

but excluding (except to the extent that fees effectively represent consideration received on a Realisation) any (i) fees paid to any advisers or any Investor Directors, (ii) the arrangement fee paid on the Original Completion Date to JC Flowers & Co LLC under the Original Investment Agreement (iii) any monitoring fee permitted by the Agreement and (iv) any tax credit arising in respect of any cash receipts;

18.2.4 **Realisation Date:** the date on which a Realisation occurs;

18.2.5 **Realisation Value:**

18.2.5.1 in the case of a Flotation, the value of the equity share capital (excluding the D Shares) of the company being listed calculated as the price per share at which the shares in that company are sold or offered in connection with the Flotation (in the case of an offer for sale, being the underwritten price or, if an offer for sale by tender, the striking price under such offer or, in the case of a placing, the price at which shares are sold under the placing) multiplied by the number of Shares which would be in issue immediately following such Flotation, but excluding any Shares issued for the purpose of raising additional or replacement capital for the Company as part of the Flotation arrangements (whether to refinance the payment of loans or for any other reason whatsoever);

18.2.5.2 in the case of a Sale, the value of the issued Shares in issue at the date of completion of the Sale (including any Shares issued in the context of the Sale arrangements under options or other rights of subscription or conversion) calculated as follows, in combination where relevant:

18.2.5.2.1 if some or all of the Shares are to be sold by private treaty and the consideration is a fixed cash sum payable in full on completion of the Sale, the Realisation Value of those Shares under such Sale shall be such cash sum;

18.2.5.2.2 if the Sale consideration is partly in cash and includes the issue of securities accompanied by a cash alternative, the Realisation Value of those Shares under such Sale shall be the cash consideration (or cash alternative price) payable pursuant to such Sale;

18.2.5.2.3 if the Sale is by private treaty or public offer and the consideration is or includes the issue of securities not accompanied by a cash alternative:

(i) if the securities rank pari passu with a class of securities already admitted to the Official List of the UK Listing Authority or dealt with on a recognised investment exchange the Realisation Value shall be:

(a) in the case of a Sale by private treaty, the value attributed to such consideration in the related sale agreement for the terms of such offer; or

(b) in the case of a Sale by private treaty where there is no such attribution in the related sale agreement or following a public offer, as determined by reference to the value of such consideration by reference to the average middle market quotation of such securities over the five (5) Business Days prior to the day on which the offer for or intention to acquire the Company is first announced by the proposed purchaser; or

(ii) if the securities do not rank pari passu with such a class, the fair market value of such securities as agreed or determined in accordance with Article 18.3;

provided that:

18.2.5.2.4 if following completion of the Sale any Shareholder immediately prior to completion of the Sale will still hold Shares, the Realisation Value for such Sale shall include the value of such Shares, which shall be calculated by reference to the same value per Share as is attributed to the Shares pursuant to this Article 18.2.5 which will be sold pursuant to the Sale;

18.2.5.2.5 to the extent that the Sale includes an element of deferred consideration, then, unless otherwise agreed in writing by Investor Consent and the holders of at least 75% of the issued C Shares immediately prior to the Sale, its value shall be the present value of such deferred consideration on completion of the Sale based on a discount rate of 30% per annum and upon subsequent settlement of the deferred consideration a recalculation of the amounts to be distributed to the selling Shareholders shall take place as of that settlement date to take account of the provisions of this Article 18 and all necessary adjustments to the amounts distributed shall be duly made; and

18.2.5.2.6 to the extent that the Sale includes an element of contingent consideration which can only be ascertained by reference to the achievement of future financial targets or other conditions set out in the sale agreement or consideration which is held in escrow and not released to the selling Shareholders until after the date of the Sale then, unless otherwise agreed in writing by Investor Consent and the holders of at least 75% of the issued C Shares immediately prior to the Sale, such consideration shall be disregarded for the purposes of the calculation of the Realisation Value unless and until such contingent consideration is released to the selling Shareholders when a recalculation of the amounts to be distributed to the selling Shareholders shall take place as of that release date to take account of the provisions of this Article 18 and all necessary adjustments to the amounts distributed shall be duly made; and

18.2.5.3. in the case of a Liquidation the net distributions received by each of the Shareholders (and on the occurrence of each such distribution a recalculation of the amounts to be distributed to the Shareholders shall take place to take account of the provisions of this Article 18 and all necessary adjustments to the amounts distributed shall be duly made);

18.2.6 **Relevant Date:** the Realisation Date or (where relevant to a calculation after that date prescribed in this Article 18) that later date as the context may require;

18.2.7 **Total Equity Proceeds:** the Realisation Value of a Realisation less all costs and expenses reasonably incurred by Shareholders in connection with the Realisation;

18.2.8 **Total Fund Return:** shall be calculated as follows:

18.2.8.1 In respect of each full and/or partial month from the Original Completion Date to the Relevant Date inclusive there shall be ascertained:

18.2.8.1.1 the total amount in cash of the Investment Cost that month; and

18.2.8.1.2 the total amount in cash of the Investment Receipts that month,

and the figure (positive or negative) which results from deducting the amount calculated under Article 18.2.8.1.1 from the amount calculated under Article 18.2.8.1.2 above is referred to below as the "**cash flow for that month**";

18.2.8.2 For the purpose of this Article 18.2.8 in calculating the cash flow for that month in which the Relevant Date arises, the A Shareholders and their Related Parties (whether or not Original Investors) shall be deemed to have received in cash on that day, and accordingly there shall be included in the figure to be ascertained under Article 18.2.8.1.2:

18.2.8.2.1 that proportion of the Realisation Value which would be attributable to the A Shares held by the A Shareholders and their Related Parties (whether or not Original Investors) immediately prior to the Realisation; and

18.2.8.2.2 the amount paid on the Relevant Date by any member of the Group or, by a purchaser or connected party of a purchaser in the case of a Sale, to the A Shareholders and their Related Parties or other persons to whom any such PECs or loans have been transferred prior to the Relevant Date (whether or not Original Investors) in repayment of or in consideration for the transfer of any PECs or other loans advanced to any member of the Group by the A Shareholders and their Related Parties (whether or not Original Investors), together with any accrued interest and other costs payable to the A Shareholders and their Related Parties and any such transferees (whether or not Original Investors) on repayment or in consideration for the transfer of such PECs and/or loans;

18.2.8.3 The Total Fund Return is "r'' where "r'' is the percentage per annum (expressed to 5 decimal places where 1 = 100%) such that the sum of the amounts calculated in accordance with the following formula and ascertained pursuant to this Article 18.2.8 for each full or partial month from the Completion Date to the Relevant Date, inclusive, is zero:

$$\frac{C}{(1 + r)^n}$$

where

C = cash flow for that month

n = (t-1)/12

t = 1 in respect of dates between the Completion Date and the last day of the calendar month in which the Completion Date falls, 2 in respect of dates in the subsequent calendar month, 3 in respect of dates in the next subsequent calendar month, and so on, and the last period ends on the Relevant Date (or if later and relevant for the purposes of this article upon the receipt of the final consideration after completion of a Sale); and

18.2.9 **Trigger Equity Proceeds:** the lowest Total Equity Proceeds which (together with other Investment Receipts) result in both the following being achieved:

18.2.9.1 a Total Fund Return of 30%; and

18.2.9.2 the aggregate of the Investment Receipts from (and including) the Completion Date until (and including) the Relevant Date being equal to Investment Cost for that period multiplied by 2.25.

18.3 If there arises any dispute as to the calculation of Realisation Value or Total Fund Return or any other matter relating to the operation of this Article, the matter shall, on the application of the Investor Majority or a Manager Majority, be determined by a valuer in accordance with the procedure set out in the Agreement.

18.4 If a Deemed Realisation (as defined in the Agreement) takes place in terms that this Article 18 applies, the provisions of this Article 18 shall be applied (in the manner provided in the Agreement) with reference to that Deemed Realisation.

F. DISSOLUTION – LIQUIDATION

Art. 19 In the event of a dissolution of the Company, the Company shall be liquidated by one or more liquidators, which do not need to be Shareholders, and which are appointed by the general meeting of Shareholders which will determine their powers and fees. The liquidators shall have the most extensive powers for the realisation of the assets and payment of the liabilities.

The surplus, after payment of the liabilities, shall be distributed among the holders of all Classes of Shares in such order of priority and in such amount as is necessary to achieve on an aggregate basis the same economic result as the distribution mechanics set out in Article 18.

Art. 20 All matters not governed by these articles of association shall be determined in accordance with the Law and the Agreement.

Exhibit B

Date

[INVESTOR]

JOINDER AGREEMENT

to the Investors Agreement relating to an investment in [Investorco]

THIS JOINDER AGREEMENT (the "**Agreement**") is made on [ ]

by [INVESTOR] of [ADDRESS], (the "**New Securities Holder**") and is a Joinder Agreement referred to in, and is supplemental to, the Investors Agreement.

BACKGROUND

A It is proposed that the New Securities Holder should by issue or transfer or other devolution be or become a holder of Company Securities.

B The New Securities Holder has agreed to execute this Agreement as a pre-condition of such acquisition of Company Securities by the New Securities Holder as required by Section 3.01(d) of the Investors Agreement.

AGREEMENT

1 **Definitions and interpretation**

1.1 The background section forms part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement. Any reference to this Agreement shall include the background section.

1.2 In this Agreement, the following words and expressions have the following meanings:

Company: [Investorco];

Investors Agreement: the investors agreement dated [ ] 2013 as amended from time to time and made among: (1) the Company, (2) [the Encore Investor] and (3) JCF III Europe S.Á.R.L;

Parties: the parties to the Investors Agreement from time to time (whether by virtue of having executed the Investors Agreement or having entered into this Agreement or an Agreement in a similar form to this Agreement) and "**Party**" shall be construed accordingly; and

Company Securities: as defined in the Investors Agreement.

1.3 In this Agreement:

1.3.1 any reference to the background section or a clause is to the background section or a clause (as the case may be) of or to this Agreement;

1.3.2 words and expressions which are defined in the Investors Agreement shall (unless the context requires otherwise) have the same meanings as are given to them in such agreement.

1.4 The clause headings contained in this Agreement are included for convenience only and do not affect the interpretation of this Agreement.

2 **Condition**

The provisions of this Agreement are conditional upon the New Securities Holder being registered as a holder of or acquiring an interest in Company Securities.

3 **Adherence**

3.1 The New Securities Holder acknowledges undertakes and covenants with, and for the benefit of each of the Parties that it shall be bound by and will observe and perform all the terms and conditions and obligations (to be observed and performed

after the date that this Agreement becomes unconditional) of, and included in, the Investors Agreement (including, for the avoidance of doubt, the provisions regarding transfers of Company Securities contained in Article III of the Investors Agreement) as if the New Securities Holder had been a party to the Investors Agreement and been referred to in it as an "**Investor**".

3.2 The provisions of this Agreement shall be enforceable by each of the Company and the Parties (including, for the avoidance of doubt, any person subsequently entering into a Joinder Agreement pursuant to the Investors Agreement) as if the New Securities Holder were a party to the Investors Agreement and had been referred to in the Investors Agreement as an "**Investor**".

3.3 The Investors Agreement shall take effect for the benefit of the New Securities Holder and shall be enforceable by the New Securities Holder as if it had been a Party and had been referred to in the Investors Agreement as an "**Investor**".

4 Governing law and jurisdiction

4.1 This Agreement is governed by and shall be construed in accordance with the laws of New York.

4.2 The New Securities Holder submits to the exclusive jurisdiction of the courts of New York as regards any claim, dispute or matter arising out of or in connection with this Agreement (including its formation).

4.3 The New Securities Holder irrevocably consents to any process in any legal action or proceedings arising out of or in connection with this Agreement (including its formation) being served on it at the address of the New Securities Holder set out at the head of this Agreement (or at such other address in the United States as notified by it for the purpose of the Investors Agreement) in accordance with the provisions of the Investors Agreement relating to service of notices. Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by law.

[remainder of page intentionally left blank]

Executed and delivered on the date first set forth above.

[INVESTOR]

By:_____
Name:
Title:

Agreed and Accepted:

[INVESTORCO]

By:_____
Name:
Title:

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Kenneth A. Vecchione, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Encore Capital Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2013

By: /s/ Kenneth A. Vecchione
Kenneth A. Vecchione
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Paul Grinberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Encore Capital Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2013

By: /s/ Paul Grinberg
Paul Grinberg
Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

ENCORE CAPITAL GROUP, INC.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Encore Capital Group, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Company.

/s/ Kenneth A. Vecchione
Kenneth A. Vecchione
Chief Executive Officer
August 8, 2013

/s/ Paul Grinberg
Paul Grinberg
Executive Vice President, Chief Financial Officer and Treasurer
August 8, 2013