

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

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): March 9, 2018

ENCORE CAPITAL GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

000-26489
(Commission
File Number)

48-1090909
(IRS Employer
Identification No.)

3111 Camino Del Rio North, Suite 103, San Diego, California
(Address of Principal Executive Offices)

92108
(Zip Code)

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Compensation Arrangements of Certain Officers

On March 9, 2018, the Company increased the annual base salary of Ashish Masih, President and Chief Executive Officer, from \$650,000 to \$750,000.

In addition, on March 9, 2018, as part of its annual process, the Compensation Committee of the Board of Directors of the Company approved and granted (1) restricted stock unit awards (the “RSUs”), (2) performance stock unit awards that vest based on the Company’s achievement of annual adjusted earnings per share targets (“EPS PSUs”), and (3) performance stock unit awards that vest based on the Company’s relative total shareholder return performance over a three-year performance period (“TSR PSUs”), each pursuant to the Company’s 2017 Incentive Award Plan, to the following named executive officers of the Company in the following amounts:

	RSUs (#)	EPS PSUs (Target #)	TSR PSUs (Target #)
Ashish Masih, President and Chief Executive Officer	16,411	13,129	2,553
Jonathan Clark, Executive Vice President, Chief Financial Officer and Treasurer	10,393	8,315	1,617
Paul Grinberg, Group Executive, International and Corporate Development	9,299	7,439	1,446
Gregory L. Call, Executive Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary	7,658	6,126	1,191

Subject to the recipient being continuously employed with the Company or any of its affiliates, the RSUs vest in equal annual installments over a three-year period.

Subject to the recipient being continuously employed with the Company or any of its affiliates, the EPS PSUs vest in three annual tranches on March 9 following the completion of the applicable performance year (2018, 2019 or 2020), based on the Company achieving annual adjusted earnings per share (“Adjusted EPS”) targets established by the Compensation Committee and communicated to the recipient at the beginning of the applicable performance year. If the applicable threshold Adjusted EPS goal is achieved, then at least 50% of the target number of EPS PSUs with respect to such year will vest, and if the applicable maximum goal is achieved or exceeded, then 200% of the target number of EPS PSUs with respect to such year will vest.

Subject to the recipient being continuously employed with the Company or any of its affiliates, the TSR PSUs will vest on March 9, 2021 based on the Company’s relative total shareholder return over a period from March 9, 2018 to December 31, 2021, as compared to a peer group consisting of other companies in the S&P SmallCap 600 Financial Sector Index as of the date of grant, with zero to 200% of the target number of TSR PSUs vesting depending on the Company’s relative total shareholder return percentile ranking within the peer group. In addition, if the Company’s total shareholder return for the performance period is negative, the number of TSR PSUs that vests is capped at 100% of the target number of TSR PSUs regardless of the Company’s percentile ranking within the peer group.

If a change in control occurs and the TSR PSUs are not assumed, then the TSR PSUs will vest based on the actual achievement of pro-rated performance goals through the change in control. If the TSR PSUs are assumed, they will be earned based on the actual achievement of pro-rated performance goals through the change in control, and will remain outstanding to vest on March 9, 2021 (subject to continued employment). EPS PSUs are subject to the same treatment, except that, with respect to any performance period that has not yet been completed as of the

change in control, the target number of EPS PSUs will performance-vest, and will remain outstanding to vest on the March 9 on which the EPS PSU otherwise would have vested.

If the executive's employment is terminated due to his death or disability, the target number of PSUs (or, if after a change in control, the PSUs that remain outstanding) will vest.

For executives who participate in our Executive Separation Plan, the terms of that plan govern the vesting and forfeiture of the EPS PSUs and TSR PSUs upon a termination of employment. In addition, the award agreement clarifies that if such termination is without cause or for good reason, in either case, within 180 days prior to or two years after a change in control, then (1) if prior to a change in control, the award will remain outstanding and eligible to vest upon a change in control as described above (assuming the award is not assumed), and (2) if subsequent to a change in control, the PSUs that remain outstanding will vest.

If Mr. Grinberg's employment is terminated without cause and a change in control does not occur, then the terms of his employment letter agreement will govern the vesting and forfeiture of his EPS PSUs and TSR PSUs. If his employment is terminated without cause or for good reason on or within 12 months after a change in control, then the PSUs that remain outstanding will vest.

Copies of the forms of the EPS PSU award agreements are attached as Exhibit 10.1, for recipients who are participants in the Executive Separation Plan, and Exhibit 10.2, for Mr. Grinberg, and are incorporated herein by reference and the foregoing description is qualified in its entirety by reference to such documents.

Copies of the forms of the TSR PSU award agreements are attached as Exhibit 10.3, for recipients who are participants in the Executive Separation Plan, and Exhibit 10.4, for Mr. Grinberg, and are incorporated herein by reference and the foregoing description is qualified in its entirety by reference to such documents.

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1+	Form of Performance Stock Unit Grant Notice and Award Agreement (EPS) under the Encore Capital Group, Inc. 2017 Incentive Award Plan (Executive Separation Plan Participant)
10.2+	Form of Performance Stock Unit Grant Notice and Award Agreement (EPS) under the Encore Capital Group, Inc. 2017 Incentive Award Plan
10.3+	Form of Performance Stock Unit Grant Notice and Award Agreement (TSR) under the Encore Capital Group, Inc. 2017 Incentive Award Plan (Executive Separation Plan Participant)
10.4+	Form of Performance Stock Unit Grant Notice and Award Agreement (TSR) under the Encore Capital Group, Inc. 2017 Incentive Award Plan

+ Management contract or compensatory plan or arrangement.

SIGNATURE

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

ENCORE CAPITAL GROUP, INC.

Date: March 14, 2018

/s/ Greg Call

Greg Call

Executive Vice President, General Counsel, Chief Administrative Officer
and Secretary

EXHIBIT INDEX

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+ Management contract or compensatory plan or arrangement.

**ENCORE CAPITAL GROUP, INC.
2017 INCENTIVE AWARD PLAN**

PERFORMANCE SHARE UNIT AWARD GRANT NOTICE (EPS)

Encore Capital Group, Inc. (the “*Company*”) has granted to the participant listed below (“*Participant*”) a Performance Share Unit award (the “*PSUs*” or the “*Award*”) described in this Performance Share Unit Award Grant Notice (the “*Grant Notice*”), subject to the terms and conditions of the 2017 Incentive Award Plan (as amended from time to time, the “*Plan*”) and the Performance Share Unit Award Agreement attached as **Exhibit A** (the “*Agreement*”), both of which are incorporated into this Grant Notice by reference. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:

Grant Date:

End Date:

Threshold Number of PSUs:

Target Number of PSUs:

Maximum Number of PSUs:

20__ Performance Period:

20__ Performance Period:

20__ Performance Period:

Performance Goals:

Except as otherwise set forth in the Agreement, Participant is eligible to Vest in and receive Shares based upon the Company’s attainment, during the applicable Performance Period, of the applicable Adjusted EPS Performance Goals set forth below, and satisfaction of continued status as a Service Provider requirements, as set forth in Sections 3.1-3.3 of the Agreement.

Performance Vesting:

The number of PSUs that Performance-Vest and become eligible to Vest shall be determined in accordance with the applicable table below based on the Adjusted EPS actually attained by the Company during the applicable Performance Period. In the event that the Company’s actual achievement of Adjusted EPS with respect to a Performance Period falls between two Performance Goals on the applicable table below, then the number of PSUs that shall Performance-Vest for such Performance Period shall be determined by means of linear interpolation. Any PSUs remaining unearned and/or unvested at the end of the applicable Performance Period following the determination of the Adjusted EPS actually attained by the Company during the applicable Performance Period (i.e., the number of PSUs obtained by subtracting (i) the number of PSUs that Performance-Vest from (ii) one-third of the maximum number of PSUs) shall be forfeited immediately.

<i>Adjusted EPS Goals for 20__ Performance Period</i>	<i>Number of PSUs that Performance-Vest</i>
	1/3 of Threshold Number of PSUs
	1/3 of Target Number of PSUs
	1/3 of Maximum Number of PSUs

<i>Adjusted EPS Goals for 20__ Performance Period</i>	<i>Number of PSUs that Performance-Vest</i>
	1/3 of Threshold Number of PSUs
	1/3 of Target Number of PSUs
	1/3 of Maximum Number of PSUs

<i>Adjusted EPS Goals for 20__ Performance Period</i>	<i>Number of PSUs that Performance-Vest</i>
	1/3 of Threshold Number of PSUs
	1/3 of Target Number of PSUs
	1/3 of Maximum Number of PSUs

By accepting (whether in writing, electronically or otherwise) the PSUs, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

ENCORE CAPITAL GROUP, INC.

PARTICIPANT

By: —

—

Name: —

[Participant Name]

Title: —

PERFORMANCE SHARE UNIT AWARD AGREEMENT

ARTICLE I.

GENERAL

1.1 Defined Terms. Wherever the following terms are used in this Agreement they shall have the meanings specified below, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

(a) “**Adjusted EPS**” means the Adjusted Income from Continuing Operations Attributable to Encore – Per Diluted Share – Economic attained during the applicable Performance Period, as reported in the Company’s Form 10-K for the applicable Performance Period.

(b) “**Cause**” has the meaning set forth in the Separation Plan.

(c) “**Change in Control**” has the meaning set forth in the Separation Plan.

(d) “**Disability**” has the meaning set forth in the Separation Plan.

(e) “**Good Reason**” has the meaning set forth in the Separation Plan.

(f) “**Performance Goals**” means the Adjusted EPS goals with respect to the applicable Performance Period, as set forth in the Grant Notice (as may be amended).

(g) “**Performance Period**” means each of the 20__ Performance Period, 20__ Performance Period and 20__ Performance Period set forth in the Grant Notice.

(h) “**Performance-Vest**” means that, with respect to a PSU, the applicable Performance Goal has been achieved or deemed achieved pursuant to this Agreement.

(i) “**Qualifying Termination**” means a Termination of Service (i) by the Company without Cause, (ii) by Participant for Good Reason but only to the extent the Participant is a “Tier 1” or “Tier 2” participant in the Separation Plan (or a “Tier 3” participant in the Separation Plan if such Qualifying Termination occurs in connection with a Change in Control), or (iii) due to Participant’s death or Disability.

(j) “**Separation from Service**” means Participant’s “separation from service” from the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code.

(k) “**Separation Plan**” means the Company’s Executive Separation Plan, as may be amended.

(l) “**Vest**” or “**Vested**” means that, with respect to a PSU, both (i) such PSU has Performance-Vested and (ii) the continued service condition has been satisfied.

(m) “**Vesting Date**” means, with respect to a PSU, the date on which the PSU becomes Vested.

1.2 Incorporation of Terms of Plan. The PSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II.

PSUS AND DIVIDEND EQUIVALENTS

2.1 Grant of PSUs. The Company has granted the PSUs to Participant effective as of the grant date set forth in the Grant Notice (the “**Grant Date**”). Each PSU represents the right to receive one Share, as set forth in this Agreement. Participant will have no right to the distribution of any Share underlying a PSU until the time (if ever) such PSU has Vested.

2.2 Dividend Equivalents. The Company hereby grants to Participant, with respect to each PSU, a Dividend Equivalent for ordinary cash dividends paid to substantially all holders of outstanding Shares with a record date after the Grant Date and prior to the date the applicable PSU is settled, forfeited or otherwise expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends paid on a single Share that becomes Vested in accordance with this Agreement. The Company will establish a separate Dividend Equivalent bookkeeping account (a “**Dividend Equivalent Account**”) for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the amount of any such cash paid. Any Dividend Equivalents granted in connection with the PSUs issued hereunder, and any amounts that may become distributable in respect thereof, shall be treated separately from such PSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A. Participant shall not be entitled to any Dividend Equivalent payment with respect to any PSU that does not Vest in accordance with this Agreement.

2.3 Unsecured Promise. The PSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company’s general assets.

ARTICLE III.

VESTING; FORFEITURE AND SETTLEMENT

3.1 Performance-Based Right to Payment. The Administrator shall determine the Company’s achievement of the applicable Performance Goals after the end of the applicable Performance Period, but no later than March 9 immediately following the end of the applicable Performance Period (each such March 9, a “**Normal Vesting Date**”). Subject to Sections 3.2 and 3.3 hereof, the number of PSUs that Performance-Vest with respect to the applicable Performance Period shall be determined as of such determination date, and shall Vest on the applicable Normal Vesting Date subject to Participant’s continued status as a Service Provider through the applicable Normal Vesting Date.

3.2 Change in Control. Notwithstanding Section 3.1 hereof, and subject to Section 3.3 hereof, in the event that a Change in Control occurs at any time prior to the End Date, Participant is a Service Provider as of immediately prior to such Change in Control:

(a) And an Assumption of the PSUs does not occur in connection with such Change in Control, then (i) with respect to any Performance Period that has been completed but with respect to which the applicable PSUs have not yet Vested, a number of PSUs shall Performance-Vest and Vest as of immediately prior to such Change in Control based on the Company's actual achievement of the Performance Goals during such Performance Period and (ii) with respect to any Performance Period that has not yet been completed, then the Target Number of PSUs subject to such Performance Period shall Performance-Vest and Vest.

(b) And an Assumption of the PSUs occurs in connection with such Change in Control, then (i) with respect to any Performance Period that has been completed but with respect to which the applicable PSUs have not yet Vested, a number of PSUs shall Performance-Vest as of immediately prior to such Change in Control based on the Company's actual achievement of the Performance Goals during such Performance Period and (ii) with respect to any Performance Period that has not yet been completed, then the Target Number of PSUs subject to such Performance Period shall Performance-Vest and, in each case, thereafter shall remain outstanding and eligible to Vest on the Normal Vesting Date to which such PSU relates (or to which it would have related). The PSUs that remain outstanding from the Change in Control until the applicable Normal Vesting Date are referred to herein as the "***Time-Vesting Units***".

3.3 Termination. Notwithstanding Section 3.1 hereof:

(a) In the event that Participant experiences a Qualifying Termination due to Participant's death or Disability, in either case prior to a Change in Control, then the number of PSUs that Performance-Vest and Vest and become payable hereunder as of the termination date shall equal the Target Number of PSUs. In the event that Participant experiences a Qualifying Termination due to Participant's death or Disability on or following a Change in Control, then the Time-Vesting Units shall Vest and become payable hereunder as of the termination date.

(b) In the event that Participant experiences a Qualifying Termination due to a termination by the Company without Cause or by Participant for Good Reason, then the PSUs will be subject to vesting and forfeiture in accordance with the terms and conditions in the Separation Plan; *provided, however*, that notwithstanding anything to the contrary contained in the Separation Plan (which, to the extent of such contradiction, is expressly superseded by this Agreement) if (i) such termination occurs 180 days prior to a Change in Control (but not if such termination occurs more than 180 days prior to a Change in Control, in which case the Award shall be forfeited as of immediately prior to such Change in Control) then a number of PSUs shall Performance-Vest and Vest as of immediately prior to such Change in Control in accordance with Section 3.2(a) above and (ii) if such termination occurs on or within two years following a Change in Control in which an Assumption of the Award occurs, then the Time-Vesting Units shall Vest as of the termination date.

3.4 Forfeiture.

(a) *Termination of Service*.

(i) In the event that Participant experiences a Termination of Service that is not a Qualifying Termination, all of the PSUs shall thereupon automatically be forfeited by Participant as of the date of termination, and Participant's rights in any such PSUs, including without limitation any Dividend Equivalents (including any Dividend Equivalent Account balance), shall thereupon lapse and expire.

(ii) Any PSUs (including any Time-Vesting Units) that do not become Vested in connection with a Qualifying Termination due to Participant's death or Disability shall thereupon automatically be forfeited by Participant as of the date of termination, and Participant's rights in any such PSUs and such portion of the Award, including without limitation any Dividend Equivalents (including any Dividend Equivalent Account balance), shall thereupon lapse and expire. Any PSUs (including any Time-Vesting Units) that do not become Vested in connection with a Qualifying Termination due to Participant's termination by the Company without Cause or by Participant for Good Reason shall be forfeited by Participant in accordance with the forfeiture terms in the Separation Plan, and Participant's rights in any such PSUs and such portion of the Award, including without limitation any Dividend Equivalents (including any Dividend Equivalent Account balance), shall thereupon lapse and expire.

(b) *Failure to Achieve Performance Goals; Change in Control.* Except as set forth in Sections 3.2 and 3.3, any outstanding PSUs that do not Performance-Vest due to the failure by the Company to achieve the Performance Goals (in whole or in part), including in connection with a Change in Control, or do not Vest on a Change in Control in which an Assumption of the Award does not occur, shall automatically be forfeited by Participant as of the End Date or Change in Control, as applicable, and Participant's rights in any such PSUs and such portion of the Award, including without limitation any Dividend Equivalents, shall thereupon lapse and expire.

3.5 Settlement

(a) The PSUs that Vest in accordance with this Agreement will be paid in Shares within 30 days after the applicable Vesting Date; *provided, however*, that such payment will occur no later than March 15 immediately following the applicable Vesting Date. Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in Shares or cash (at the Company's option) as soon as administratively practicable after the Vesting of the applicable underlying PSU, but in no event more than 30 days after such PSU's Vesting Date (but in no event later than March 15 immediately following the applicable Vesting Date). Notwithstanding anything to the contrary contained herein, the exact payment date of any PSUs and any Dividend Equivalents shall be determined by the Company in its sole discretion (and Participant shall not have a right to designate the time of payment).

(b) Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

(c) If a Dividend Equivalent is paid in Shares, the number of Shares paid with respect to the Dividend Equivalent will equal the quotient, rounded down to the nearest whole Share, of the Dividend Equivalent Account balance divided by the Fair Market Value of a Share on the day immediately preceding the payment date.

ARTICLE IV. TAXATION AND TAX WITHHOLDING

4.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

4.2 Tax Withholding.

(a) The Company shall withhold, or cause to be withheld, Shares otherwise vesting or issuable under this Award (including the PSUs or Dividend Equivalents) in satisfaction of any applicable withholding tax obligations. The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a fair market value on the date of withholding no greater than the aggregate amount of such liabilities based on the maximum individual statutory withholding rates in Participant's applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income. To the extent that any Federal Insurance Contributions Act tax withholding obligations arise in connection with the PSUs or the Dividend Equivalents prior to the applicable vesting or payment date, the Administrator may accelerate the payment of a portion of the award of PSUs sufficient to satisfy (but not in excess of) such tax withholding obligations and any tax withholding obligations associated with any such accelerated payment, and the Administrator shall withhold such amounts in satisfaction of such withholding obligations.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the PSUs and the Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the PSUs or Dividend Equivalents. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the PSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the PSUs or Dividend Equivalents to reduce or eliminate Participant's tax liability.

4.3 Section 409A.

(a) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any such regulations or other guidance that may be issued after the effective date of this Agreement. Notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that the PSUs or the Dividend Equivalents (or, in each case, any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate either for the PSUs and/or Dividend Equivalents to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

(b) All payments of nonqualified deferred compensation subject to Section 409A to be made upon a termination of employment or service under this Agreement may only be made upon Participant's Separation from Service.

(c) Notwithstanding anything to the contrary in this Agreement, no amounts shall be paid to Participant under this Agreement during the six-month period following Participant's Separation from Service to the extent that the Administrator determines that Participant is a "specified employee" (within the meaning of Section 409A) at the time of such Separation from Service and that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six-month period (or such earlier date upon which such

amount can be paid under Section 409A without being subject to such additional taxes), the Company shall pay to Participant in a lump-sum all amounts that would have otherwise been payable to Participant during such six-month period under this Agreement.

ARTICLE V. OTHER PROVISIONS

5.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. Without limiting the generality of the foregoing, all determinations, interpretations and assumptions relating to the calculation and payment of the PSUs (including, without limitation, determinations, interpretations and assumptions with respect to Adjusted EPS) shall be made by the Administrator. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon Participant, the Company and all other interested persons.

5.2 Adjustments. Participant acknowledges that the PSUs, the Shares subject to the PSUs, the Dividend Equivalents and the Performance Goals are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan. The Administrator shall also have the exclusive authority, in its reasonable discretion, to make proper adjustments and/or modifications to one or more Performance Goals in the event of any extraordinary, unusual or infrequent events or occurrences, or changes in accounting principles or Applicable Laws, affecting a Performance Goal that the Administrator determines have an unintended effect on the calculation of the Performance Goals.

5.3 Other Stock or Cash Based Awards. This Award shall constitute an Other Stock or Cash Based Award for purposes of the Plan.

5.4 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

5.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.6 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

5.7 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement

will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

5.8 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the PSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

5.9 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

5.10 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

5.11 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PSUs and Dividend Equivalents, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the PSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

5.12 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

5.13 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

* * * *

ENCORE CAPITAL GROUP, INC.
2017 INCENTIVE AWARD PLAN

PERFORMANCE SHARE UNIT AWARD GRANT NOTICE (EPS)

Encore Capital Group, Inc. (the “*Company*”) has granted to the participant listed below (“*Participant*”) a Performance Share Unit award (the “*PSUs*” or the “*Award*”) described in this Performance Share Unit Award Grant Notice (the “*Grant Notice*”), subject to the terms and conditions of the 2017 Incentive Award Plan (as amended from time to time, the “*Plan*”) and the Performance Share Unit Award Agreement attached as **Exhibit A** (the “*Agreement*”), both of which are incorporated into this Grant Notice by reference. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:

Grant Date:

End Date:

Threshold Number of PSUs:

Target Number of PSUs:

Maximum Number of PSUs:

20__ Performance Period:

20__ Performance Period:

20__ Performance Period:

Performance Goals:

Except as otherwise set forth in the Agreement, Participant is eligible to Vest in and receive Shares based upon the Company’s attainment, during the applicable Performance Period, of the applicable Adjusted EPS Performance Goals set forth below, and satisfaction of continued status as a Service Provider requirements, as set forth in Sections 3.1-3.3 of the Agreement.

Performance Vesting:

The number of PSUs that Performance-Vest and become eligible to Vest shall be determined in accordance with the applicable table below based on the Adjusted EPS actually attained by the Company during the applicable Performance Period. In the event that the Company’s actual achievement of Adjusted EPS with respect to a Performance Period falls between two Performance Goals on the applicable table below, then the number of PSUs that shall Performance-Vest for such Performance Period shall be determined by means of linear interpolation. Any PSUs remaining unearned and/or unvested at the end of the applicable Performance Period following the determination of the Adjusted EPS actually attained by the Company during the applicable Performance Period (i.e., the number of PSUs obtained by subtracting (i) the number of PSUs that Performance-Vest from (ii) one-third of the maximum number of PSUs) shall be forfeited immediately.

<i>Adjusted EPS Goals for 20__ Performance Period</i>	<i>Number of PSUs that Performance-Vest</i>
	1/3 of Threshold Number of PSUs
	1/3 of Target Number of PSUs
	1/3 of Maximum Number of PSUs

<i>Adjusted EPS Goals for 20__ Performance Period</i>	<i>Number of PSUs that Performance-Vest</i>
	1/3 of Threshold Number of PSUs
	1/3 of Target Number of PSUs
	1/3 of Maximum Number of PSUs

<i>Adjusted EPS Goals for 20__ Performance Period</i>	<i>Number of PSUs that Performance-Vest</i>
	1/3 of Threshold Number of PSUs
	1/3 of Target Number of PSUs
	1/3 of Maximum Number of PSUs

By accepting (whether in writing, electronically or otherwise) the PSUs, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

ENCORE CAPITAL GROUP, INC.

PARTICIPANT

By:

Name:

Title:

PERFORMANCE SHARE UNIT AWARD AGREEMENT

ARTICLE I.

GENERAL

1.1 Defined Terms. Wherever the following terms are used in this Agreement they shall have the meanings specified below, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

(a) “**Adjusted EPS**” means the Adjusted Income from Continuing Operations Attributable to Encore – Per Diluted Share – Economic attained during the applicable Performance Period, as reported in the Company’s Form 10-K for the applicable Performance Period.

(b) “**Cause**” has the meaning set forth in the Letter Agreement.

(c) “**Disability**” means Participant’s “disability” within the meaning of Section 409A.

(d) “**Good Reason**” means (i) a material reduction in Participant’s base compensation; (ii) a material reduction in Participant’s authority, duties or responsibilities; (iii) a material reduction in the authority, duties or responsibilities of the person to whom Participant reports; (iv) a material reduction in the budget over which Participant retains authority; or (v) a material change in the location at which Participant provides services for the Company (which is defined as any relocation by the Company of Participant’s employment to a location that is more than 35 miles from Participant’s present office location and is more than 35 miles from Participant’s primary residence at the time of such relocation, without Participant’s consent). To be eligible to receive any benefits set forth herein in connection with a termination for Good Reason, (x) Participant 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 Participant’s initial written notice or it must have stated unequivocally in writing that it does not intend to attempt to cure such condition; and (z) Participant must 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.

(e) “**Letter Agreement**” means that certain letter agreement by and between Participant and the Company dated February 24, 2014, as may be amended.

(f) “**Performance Goals**” means the Adjusted EPS goals with respect to the applicable Performance Period, as set forth in the Grant Notice (as may be amended).

(g) “**Performance Period**” means each of the 20__ Performance Period, 20__ Performance Period and 20__ Performance Period set forth in the Grant Notice.

(h) “**Performance-Vest**” means that, with respect to a PSU, the applicable Performance Goal has been achieved or deemed achieved pursuant to this Agreement.

(i) “**Qualifying Termination**” means a Termination of Service (i) by the Company without Cause, (ii) by Participant for Good Reason on or within 12 months after a Change in Control, or (iii) due to Participant’s death or Disability.

(j) **“Separation from Service”** means Participant’s “separation from service” from the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code.

(k) **“Vest”** or **“Vested”** means that, with respect to a PSU, both (i) such PSU has Performance-Vested and (ii) the continued service condition has been satisfied.

(l) **“Vesting Date”** means, with respect to a PSU, the date on which the PSU becomes Vested.

1.2 **Incorporation of Terms of Plan**. The PSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II.

PSUS AND DIVIDEND EQUIVALENTS

2.1 **Grant of PSUs**. The Company has granted the PSUs to Participant effective as of the grant date set forth in the Grant Notice (the **“Grant Date”**). Each PSU represents the right to receive one Share, as set forth in this Agreement. Participant will have no right to the distribution of any Share underlying a PSU until the time (if ever) such PSU has Vested.

2.2 **Dividend Equivalents**. The Company hereby grants to Participant, with respect to each PSU, a Dividend Equivalent for ordinary cash dividends paid to substantially all holders of outstanding Shares with a record date after the Grant Date and prior to the date the applicable PSU is settled, forfeited or otherwise expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends paid on a single Share that becomes Vested in accordance with this Agreement. The Company will establish a separate Dividend Equivalent bookkeeping account (a **“Dividend Equivalent Account”**) for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the amount of any such cash paid. Any Dividend Equivalents granted in connection with the PSUs issued hereunder, and any amounts that may become distributable in respect thereof, shall be treated separately from such PSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A. Participant shall not be entitled to any Dividend Equivalent payment with respect to any PSU that does not Vest in accordance with this Agreement.

2.3 **Unsecured Promise**. The PSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company’s general assets.

ARTICLE III.

VESTING; FORFEITURE AND SETTLEMENT

3.1 **Performance-Based Right to Payment**. The Administrator shall determine the Company’s achievement of the applicable Performance Goals after the end of the applicable Performance Period, but no later than March 9 immediately following the end of the applicable Performance Period (each such March 9, a **“Normal Vesting Date”**). Subject to Sections 3.2 and 3.3 hereof, the number of PSUs that Performance-

Vest with respect to the applicable Performance Period shall be determined as of such determination date, and shall Vest on the applicable Normal Vesting Date subject to Participant's continued status as a Service Provider through the applicable Normal Vesting Date.

3.2 Change in Control. Notwithstanding Section 3.1 hereof, and subject to Section 3.3 hereof, in the event that a Change in Control occurs at any time prior to the End Date, Participant is a Service Provider as of immediately prior to such Change in Control:

(a) And an Assumption of the PSUs does not occur in connection with such Change in Control, then (i) with respect to any Performance Period that has been completed but with respect to which the applicable PSUs have not yet Vested, a number of PSUs shall Performance-Vest and Vest as of immediately prior to such Change in Control based on the Company's actual achievement of the Performance Goals during such Performance Period and (ii) with respect to any Performance Period that has not yet been completed, then the Target Number of PSUs subject to such Performance Period shall Performance-Vest and Vest.

(b) And an Assumption of the PSUs occurs in connection with such Change in Control, then (i) with respect to any Performance Period that has been completed but with respect to which the applicable PSUs have not yet Vested, a number of PSUs shall Performance-Vest as of immediately prior to such Change in Control based on the Company's actual achievement of the Performance Goals during such Performance Period and (ii) with respect to any Performance Period that has not yet been completed, then the Target Number of PSUs subject to such Performance Period shall Performance-Vest and, in each case, thereafter shall remain outstanding and eligible to Vest on the Normal Vesting Date to which such PSU relates (or to which it would have related). The PSUs that remain outstanding from the Change in Control until the applicable Normal Vesting Date are referred to herein as the "**Time-Vesting Units**".

3.3 Termination. Notwithstanding Section 3.1 hereof:

(a) In the event that Participant experiences a Qualifying Termination due to Participant's death or Disability, in either case prior to a Change in Control, then the number of PSUs that Performance-Vest and Vest and become payable hereunder as of the termination date shall equal the Target Number of PSUs. In the event that Participant experiences a Qualifying Termination due to Participant's death or Disability on or following a Change in Control, then the Time-Vesting Units shall Vest and become payable hereunder as of the termination date.

(b) Subject to Section 3.3(c), in the event that Participant experiences a Qualifying Termination due to a termination by the Company without Cause, then the PSUs will be subject to vesting and forfeiture in accordance with the terms and conditions in the Letter Agreement; provided, however, that notwithstanding anything to the contrary contained in the Letter Agreement (which, to the extent of such contradiction, is expressly superseded by this Agreement), if such termination occurs prior to a Change in Control the Award will not be subject to Section 3.2 and instead shall be forfeited as of immediately prior to such Change in Control.

(c) In the event that Participant experiences a Qualifying Termination due to a termination by the Company without Cause or by Participant for Good Reason, in either case, on or within 12 months after a Change in Control, then the Time-Vesting Units shall Vest and become payable hereunder as of the termination date.

3.4 Forfeiture.

(a) *Termination of Service.*

(i) In the event that Participant experiences a Termination of Service that is not a Qualifying Termination, all of the PSUs shall thereupon automatically be forfeited by Participant as of the date of termination, and Participant's rights in any such PSUs, including without limitation any Dividend Equivalents (including any Dividend Equivalent Account balance), shall thereupon lapse and expire.

(ii) Any PSUs (including any Time-Vesting Units) that do not become Vested in connection with a Qualifying Termination due to Participant's death or Disability, or due to Participant's termination by the Company without Cause or by Participant for Good Reason, in either case, on or within 12 months after a Change in Control, shall thereupon automatically be forfeited by Participant as of the date of termination. Any PSUs (including any Time-Vesting Units) that do not become Vested in connection with a Qualifying Termination due to Participant's termination by the Company without Cause shall be forfeited by Participant in accordance with the forfeiture terms in the Letter Agreement. In the event that any PSUs are forfeited by Participant, Participant's rights in any such PSUs and such portion of the Award, including without limitation any Dividend Equivalents (including any Dividend Equivalent Account balance), shall thereupon lapse and expire.

(b) *Failure to Achieve Performance Goals; Change in Control.* Except as set forth in Sections 3.2 and 3.3, any outstanding PSUs that do not Performance-Vest due to the failure by the Company to achieve the Performance Goals (in whole or in part), including in connection with a Change in Control, or do not Vest on a Change in Control in which an Assumption of the Award does not occur, shall automatically be forfeited by Participant as of the End Date or Change in Control, as applicable, and Participant's rights in any such PSUs and such portion of the Award, including without limitation any Dividend Equivalents, shall thereupon lapse and expire.

3.5 Settlement

(a) The PSUs that Vest in accordance with this Agreement will be paid in Shares within 30 days after the applicable Vesting Date; *provided, however*, that such payment will occur no later than March 15 immediately following the applicable Vesting Date. Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in Shares or cash (at the Company's option) as soon as administratively practicable after the Vesting of the applicable underlying PSU, but in no event more than 30 days after such PSU's Vesting Date (but in no event later than March 15 immediately following the applicable Vesting Date). Notwithstanding anything to the contrary contained herein, the exact payment date of any PSUs and any Dividend Equivalents shall be determined by the Company in its sole discretion (and Participant shall not have a right to designate the time of payment).

(b) Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

(c) If a Dividend Equivalent is paid in Shares, the number of Shares paid with respect to the Dividend Equivalent will equal the quotient, rounded down to the nearest whole Share, of the Dividend Equivalent Account balance divided by the Fair Market Value of a Share on the day immediately preceding the payment date.

ARTICLE IV.

TAXATION AND TAX WITHHOLDING

4.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

4.2 Tax Withholding.

(a) The Company shall withhold, or cause to be withheld, Shares otherwise vesting or issuable under this Award (including the PSUs or Dividend Equivalents) in satisfaction of any applicable withholding tax obligations. The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a fair market value on the date of withholding no greater than the aggregate amount of such liabilities based on the maximum individual statutory withholding rates in Participant's applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income. To the extent that any Federal Insurance Contributions Act tax withholding obligations arise in connection with the PSUs or the Dividend Equivalents prior to the applicable vesting or payment date, the Administrator may accelerate the payment of a portion of the award of PSUs sufficient to satisfy (but not in excess of) such tax withholding obligations and any tax withholding obligations associated with any such accelerated payment, and the Administrator shall withhold such amounts in satisfaction of such withholding obligations.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the PSUs and the Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the PSUs or Dividend Equivalents. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the PSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the PSUs or Dividend Equivalents to reduce or eliminate Participant's tax liability.

4.3 Section 409A.

(a) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any such regulations or other guidance that may be issued after the effective date of this Agreement. Notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that the PSUs or the Dividend Equivalents (or, in each case, any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate either for the PSUs and/or Dividend Equivalents to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

(b) All payments of nonqualified deferred compensation subject to Section 409A to be made upon a termination of employment or service under this Agreement may only be made upon Participant's Separation from Service.

(c) Notwithstanding anything to the contrary in this Agreement, no amounts shall be paid to Participant under this Agreement during the six-month period following Participant's Separation from Service to the extent that the Administrator determines that Participant is a "specified employee" (within the meaning of Section 409A) at the time of such Separation from Service and that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six-month period (or such earlier date upon which such amount can be paid under Section 409A without being subject to such additional taxes), the Company shall pay to Participant in a lump-sum all amounts that would have otherwise been payable to Participant during such six-month period under this Agreement.

ARTICLE V.

OTHER PROVISIONS

5.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. Without limiting the generality of the foregoing, all determinations, interpretations and assumptions relating to the calculation and payment of the PSUs (including, without limitation, determinations, interpretations and assumptions with respect to Adjusted EPS) shall be made by the Administrator. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon Participant, the Company and all other interested persons.

5.2 Adjustments. Participant acknowledges that the PSUs, the Shares subject to the PSUs, the Dividend Equivalents and the Performance Goals are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan. The Administrator shall also have the exclusive authority, in its reasonable discretion, to make proper adjustments and/or modifications to one or more Performance Goals in the event of any extraordinary, unusual or infrequent events or occurrences, or changes in accounting principles or Applicable Laws, affecting a Performance Goal that the Administrator determines have an unintended effect on the calculation of the Performance Goals.

5.3 Other Stock or Cash Based Awards. This Award shall constitute an Other Stock or Cash Based Award for purposes of the Plan.

5.4 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

5.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.6 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

5.7 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

5.8 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the PSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

5.9 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

5.10 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

5.11 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PSUs and Dividend Equivalents, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the PSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

5.12 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

5.13 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

* * * *

**ENCORE CAPITAL GROUP, INC.
2017 INCENTIVE AWARD PLAN**

PERFORMANCE SHARE UNIT AWARD GRANT NOTICE (TSR)

Encore Capital Group, Inc. (the “*Company*”) has granted to the participant listed below (“*Participant*”) a Performance Share Unit award (the “*PSUs*” or the “*Award*”) described in this Performance Share Unit Award Grant Notice (the “*Grant Notice*”), subject to the terms and conditions of the 2017 Incentive Award Plan (as amended from time to time, the “*Plan*”) and the Performance Share Unit Award Agreement attached as **Exhibit A** (the “*Agreement*”), both of which are incorporated into this Grant Notice by reference. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:

Grant Date:

End Date:

Normal Vesting Date:

Target Number of PSUs:

Performance Period:

Grant Date – End Date

Performance Goals:

Except as otherwise set forth in the Agreement, Participant is eligible to Vest in and receive Shares based upon the Company's attainment, during the Performance Period, of the TSR Performance Goals set forth below, and satisfaction of continued status as a Service Provider requirements, as set forth in Sections 3.1-3.3 of the Agreement.

Performance Vesting:

The number of PSUs that Performance-Vest and become eligible to Vest shall be determined in accordance with the applicable table below based on the Relative TSR actually attained by the Company during the Performance Period, by multiplying (i) the percentage corresponding to the Company's achievement of Relative TSR during the Performance Period as set forth in the "Number of Target PSUs that Performance-Vest" column below by (ii) the Target Number PSUs. In the event that the Company's actual achievement of Relative TSR falls between two Performance Goals on the table below, then the number of PSUs that shall Performance-Vest for the Performance Period shall be determined by means of linear interpolation.

Notwithstanding the foregoing, if the Company's TSR for the Performance Period is less than zero, then the maximum number of PSUs that may Performance-Vest shall be no greater than the Target Number of PSUs.

Any PSUs remaining unearned and/or unvested following the determination of the TSR actually attained by the Company during the Performance Period shall be forfeited immediately.

Relative TSR for Performance Period	Number of Target PSUs that Performance-Vest
Below __th Percentile	0%
__th Percentile	50%
__th Percentile	62.5%
__th Percentile	75%
__th Percentile	87.5%
__th Percentile	100%
__th Percentile	112.5%
__th Percentile	125%
__th Percentile	137.5%
__th Percentile	150%
__th Percentile	162.5%
__th Percentile	175%
__th Percentile	187.5%
__th Percentile and Above	200%

By accepting (whether in writing, electronically or otherwise) the PSUs, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

ENCORE CAPITAL GROUP, INC.

PARTICIPANT

By:

Name:

[Participant Name]

Title:

PERFORMANCE SHARE UNIT AWARD AGREEMENT

ARTICLE I.

GENERAL

1.1 Defined Terms. Wherever the following terms are used in this Agreement they shall have the meanings specified below, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

(a) “**Beginning Price**” means, with respect to the Company and any Peer Group Company, the 30 trading-day average market closing price, on the principal exchange on which the Company’s common stock is traded, over the period beginning on (and including) the Grant Date. For purposes of determining the Beginning Price, the value of dividends and other distributions that have an ex-dividend date during such 30 trading-day period shall be determined by treating them as reinvested in additional shares of the applicable company’s common stock at the closing market price on the date of distribution.

(b) “**Cause**” has the meaning set forth in the Separation Plan.

(c) “**Change in Control**” has the meaning set forth in the Separation Plan.

(d) “**Disability**” has the meaning set forth in the Separation Plan.

(e) “**Ending Price**” means the Share Value as of the last day of the Performance Period (which may be the date of a Change in Control, if applicable).

(f) “**Good Reason**” has the meaning set forth in the Separation Plan.

(g) “**Peer Group Companies**” means only those entities that are set forth on Schedule I attached hereto (collectively, the “**Peer Group**”); *provided, however*, that if a Peer Group Company is acquired or otherwise ceases to have a class of equity securities that is both registered under the Securities Exchange Act of 1934 and actively traded on a U.S. public securities market, such Peer Group Company will be removed from the Peer Group.

(h) “**Performance Goals**” means the Relative TSR and TSR goals with respect to the Performance Period, as set forth in the Grant Notice.

(i) “**Performance-Vest**” means that, with respect to a PSU, the applicable Performance Goal has been achieved or deemed achieved pursuant to this Agreement.

(j) “**Qualifying Termination**” means a Termination of Service (i) by the Company without Cause, (ii) by Participant for Good Reason but only to the extent the Participant is a “Tier 1” or “Tier 2” participant in the Separation Plan (or a “Tier 3” participant in the Separation Plan if such Qualifying Termination occurs in connection with a Change in Control), or (iii) due to Participant’s death or Disability.

(k) “**Relative TSR**” means, with respect to the Performance Period, the Company’s TSR, as a percentile with respect to the range of TSRs of each of the Peer Group Companies.

(l) “**Separation from Service**” means Participant’s “separation from service” from the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code.

(m) “**Separation Plan**” means the Company’s Executive Separation Plan, as may be amended.

(n) “**Share Value**,” as of any given date, means the 30 trading-day trailing average market closing price ending on and including such date; *provided, however*, that if the Performance Period ends upon the consummation of a Change in Control, Share Value with respect to the Company shall mean the price per Share paid by the acquiror in the Change in Control transaction or, to the extent that the consideration in the Change in Control transaction is paid in stock of the acquiror or its affiliate, then Share

Value shall mean the value of the consideration paid per Share based on the average of the closing trading prices of a share of such acquiror stock on the principal exchange on which such shares are then traded for each trading day during the five consecutive trading days ending on and including the date on which a Change in Control occurs, unless otherwise determined by the Administrator in connection with valuing any shares that are not publicly traded. For purposes of determining the Share Value, the value of dividends and other distributions that have an ex-dividend date during such 30 trading-day period shall be determined by treating them as reinvested in additional shares of the applicable company's common stock at the closing market price on the date of distribution.

(o) “**TSR**” means, with respect to the Company and any Peer Group Company, the quotient obtained by dividing (i) the sum of (A) the difference obtained by subtracting the applicable Beginning Price from the applicable Ending Price, plus (B) the aggregate per share dividends and other distributions that have an ex-dividend date during the Performance Period (assuming the reinvestment in shares of such dividends and distributions) by (ii) the applicable Beginning Price; *provided, however*, that TSR for a Peer Group Company will be deemed to be negative one hundred percent (-100%) if the Peer Group Company (i) files for bankruptcy, reorganization or liquidation under any chapter of the U.S. Bankruptcy Code; (ii) is the subject of an involuntary bankruptcy proceeding that is not dismissed within 30 days; (iii) is the subject of a stockholder approved plan or liquidation or dissolution; or (iv) otherwise becomes involved or ceases to conduct substantial business operations.

(p) “**Vest**” or “**Vested**” means that, with respect to a PSU, both (i) such PSU has Performance-Vested and (ii) the continued service condition has been satisfied.

(q) “**Vesting Date**” means, with respect to a PSU, the date on which the PSU becomes Vested.

1.2 Incorporation of Terms of Plan. The PSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II.

PSUS AND DIVIDEND EQUIVALENTS

2.1 Grant of PSUs. The Company has granted the PSUs to Participant effective as of the grant date set forth in the Grant Notice (the “Grant Date”). Each PSU represents the right to receive one Share, as set forth in this Agreement. Participant will have no right to the distribution of any Share underlying a PSU until the time (if ever) such PSU has Vested.

2.2 Dividend Equivalents. The Company hereby grants to Participant, with respect to each PSU, a Dividend Equivalent for ordinary cash dividends paid to substantially all holders of outstanding Shares with a record date after the Grant Date and prior to the date the applicable PSU is settled, forfeited or otherwise expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends paid on a single Share that becomes Vested in accordance with this Agreement. The Company will establish a separate Dividend Equivalent bookkeeping account (a “**Dividend Equivalent Account**”) for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the amount of any such cash paid. Any Dividend Equivalents granted in

connection with the PSUs issued hereunder, and any amounts that may become distributable in respect thereof, shall be treated separately from such PSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A. Participant shall not be entitled to any Dividend Equivalent payment with respect to any PSU that does not Vest in accordance with this Agreement.

2.3 Unsecured Promise. The PSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

ARTICLE III.

VESTING; FORFEITURE AND SETTLEMENT

3.1 Performance-Based Right to Payment. The Administrator shall determine the Company's achievement of the applicable Performance Goals after the end of the Performance Period, but no later than the Normal Vesting Date. Subject to Sections 3.2 and 3.3 hereof, the number of PSUs that Performance-Vest shall be determined as of such determination date, and shall Vest on the Normal Vesting Date subject to Participant's continued status as a Service Provider through the Normal Vesting Date.

3.2 Change in Control. Notwithstanding Section 3.1 hereof, and subject to Section 3.3 hereof, in the event that a Change in Control occurs at any time prior to the End Date, Participant is a Service Provider as of immediately prior to such Change in Control:

(a) And an Assumption of the PSUs does not occur in connection with such Change in Control, then a number of PSUs shall Performance-Vest and Vest as of immediately prior to such Change in Control based on the Company's actual achievement of the Performance Goals during the Performance Period through such Change in Control.

(b) And an Assumption of the PSUs occurs in connection with such Change in Control, then a number of PSUs shall Performance-Vest as of immediately prior to such Change in Control based on the Company's actual achievement of the Performance Goals during the Performance Period through such Change in Control, and thereafter shall remain outstanding and eligible to Vest on the Normal Vesting Date, subject to Participant's continued status as a Service Provider through such date (and any PSUs that do not Performance-Vest shall be forfeited as of immediately prior to such Change in Control). The PSUs that remain outstanding from the Change in Control to the Normal Vesting Date are referred to herein as the "*Time-Vesting Units*".

3.3 Termination. Notwithstanding Section 3.1 hereof:

(a) In the event that Participant experiences a Qualifying Termination due to Participant's death or Disability, in either case prior to a Change in Control, then the number of PSUs that Performance-Vest and Vest and become payable hereunder as of the termination date shall equal the Target Number of PSUs. In the event that Participant experiences a Qualifying Termination due to Participant's death or Disability on or following a Change in Control, then the Time-Vesting Units shall Vest and become payable hereunder as of the termination date.

(b) In the event that Participant experiences a Qualifying Termination due to a termination by the Company without Cause or by Participant for Good Reason, then the PSUs will be subject

to vesting and forfeiture in accordance with the terms and conditions in the Separation Plan; *provided, however*, that notwithstanding anything to the contrary contained in the Separation Plan (which, to the extent of such contradiction, is expressly superseded by this Agreement) if (i) such termination occurs within 180 days prior to a Change in Control (but not if such termination occurs more than within 180 days prior to a Change in Control, in which case the Award shall be forfeited as of immediately prior to such Change in Control) then a number of PSUs shall Performance-Vest and Vest as of immediately prior to such Change in Control in accordance with Section 3.2(a) above and (ii) if such termination occurs on or within two years following a Change in Control in which an Assumption of the Award occurs, then the Time-Vesting Units shall Vest as of the termination date.

3.4 Forfeiture.

(a) *Termination of Service*.

(i) In the event that Participant experiences a Termination of Service that is not a Qualifying Termination, all of the PSUs shall thereupon automatically be forfeited by Participant as of the date of termination, and Participant's rights in any such PSUs, including without limitation any Dividend Equivalents (including any Dividend Equivalent Account balance), shall thereupon lapse and expire.

(ii) Any PSUs (including any Time-Vesting Units) that do not become Vested in connection with a Qualifying Termination due to Participant's death or Disability shall thereupon automatically be forfeited by Participant as of the date of termination, and Participant's rights in any such PSUs and such portion of the Award, including without limitation any Dividend Equivalents (including any Dividend Equivalent Account balance), shall thereupon lapse and expire. Any PSUs (including any Time-Vesting Units) that do not become Vested in connection with a Qualifying Termination due to Participant's termination by the Company without Cause or by Participant for Good Reason shall be forfeited by Participant in accordance with the forfeiture terms in the Separation Plan, and Participant's rights in any such PSUs and such portion of the Award, including without limitation any Dividend Equivalents (including any Dividend Equivalent Account balance), shall thereupon lapse and expire.

(b) *Failure to Achieve Performance Goals; Change in Control*. Except as set forth in Sections 3.2 and 3.3, any outstanding PSUs that do not Performance-Vest due to the failure by the Company to achieve the Performance Goals (in whole or in part), including in connection with a Change in Control, or do not Vest on a Change in Control in which an Assumption of the Award does not occur, shall automatically be forfeited by Participant as of the End Date or Change in Control, as applicable, and Participant's rights in any such PSUs and such portion of the Award, including without limitation any Dividend Equivalents, shall thereupon lapse and expire.

3.5 Settlement

(a) The PSUs that Vest in accordance with this Agreement will be paid in Shares within 30 days after the applicable Vesting Date; *provided, however*, that such payment will occur no later than March 15 immediately following the applicable Vesting Date. Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in Shares or cash (at the Company's option) as soon as administratively practicable after the Vesting of the applicable underlying PSU, but in no event more than 30 days after such PSU's Vesting Date (but in no event later than March 15 immediately following the applicable Vesting Date). Notwithstanding anything to the contrary contained herein, the exact payment

date of any PSUs and any Dividend Equivalents shall be determined by the Company in its sole discretion (and Participant shall not have a right to designate the time of payment).

(b) Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

(c) If a Dividend Equivalent is paid in Shares, the number of Shares paid with respect to the Dividend Equivalent will equal the quotient, rounded down to the nearest whole Share, of the Dividend Equivalent Account balance divided by the Fair Market Value of a Share on the day immediately preceding the payment date.

ARTICLE IV.

TAXATION AND TAX WITHHOLDING

4.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

4.2 Tax Withholding.

(a) The Company shall withhold, or cause to be withheld, Shares otherwise vesting or issuable under this Award (including the PSUs or Dividend Equivalents) in satisfaction of any applicable withholding tax obligations. The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a fair market value on the date of withholding no greater than the aggregate amount of such liabilities based on the maximum individual statutory withholding rates in Participant's applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income. To the extent that any Federal Insurance Contributions Act tax withholding obligations arise in connection with the PSUs or the Dividend Equivalents prior to the applicable vesting or payment date, the Administrator may accelerate the payment of a portion of the award of PSUs sufficient to satisfy (but not in excess of) such tax withholding obligations and any tax withholding obligations associated with any such accelerated payment, and the Administrator shall withhold such amounts in satisfaction of such withholding obligations.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the PSUs and the Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the PSUs or Dividend Equivalents. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the PSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the PSUs or Dividend Equivalents to reduce or eliminate Participant's tax liability.

4.3 Section 409A.

(a) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any such regulations or other guidance that may be issued after the effective date of this Agreement. Notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that the PSUs or the Dividend Equivalents (or, in each case, any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate either for the PSUs and/or Dividend Equivalents to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

(b) All payments of nonqualified deferred compensation subject to Section 409A to be made upon a termination of employment or service under this Agreement may only be made upon Participant's Separation from Service.

(c) Notwithstanding anything to the contrary in this Agreement, no amounts shall be paid to Participant under this Agreement during the six-month period following Participant's Separation from Service to the extent that the Administrator determines that Participant is a "specified employee" (within the meaning of Section 409A) at the time of such Separation from Service and that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six-month period (or such earlier date upon which such amount can be paid under Section 409A without being subject to such additional taxes), the Company shall pay to Participant in a lump-sum all amounts that would have otherwise been payable to Participant during such six-month period under this Agreement.

ARTICLE V.

OTHER PROVISIONS

5.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. Without limiting the generality of the foregoing, all determinations, interpretations and assumptions relating to the calculation and payment of the PSUs (including, without limitation, determinations, interpretations and assumptions with respect to TSR calculations) shall be made by the Administrator. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon Participant, the Company and all other interested persons.

5.2 Adjustments. Participant acknowledges that the PSUs, the Shares subject to the PSUs, the Dividend Equivalents and the Performance Goals are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan. The Administrator shall also have the exclusive authority, in its reasonable discretion, to make proper adjustments and/or modifications to one or more Performance Goals in the event of any extraordinary, unusual or infrequent events or occurrences, or changes in accounting principles or Applicable Laws, affecting a Performance Goal that the Administrator determines have an unintended effect on the calculation of the Performance Goals.

5.3 Other Stock or Cash Based Awards. This Award shall constitute an Other Stock or Cash Based Award for purposes of the Plan.

5.4 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

5.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.6 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

5.7 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

5.8 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the PSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

5.9 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

5.10 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

5.11 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PSUs and Dividend Equivalents, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the PSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

5.12 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

5.13 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

* * * *

SCHEDULE I

Peer Group Companies

**ENCORE CAPITAL GROUP, INC.
2017 INCENTIVE AWARD PLAN**

PERFORMANCE SHARE UNIT AWARD GRANT NOTICE (TSR)

Encore Capital Group, Inc. (the “*Company*”) has granted to the participant listed below (“*Participant*”) a Performance Share Unit award (the “*PSUs*” or the “*Award*”) described in this Performance Share Unit Award Grant Notice (the “*Grant Notice*”), subject to the terms and conditions of the 2017 Incentive Award Plan (as amended from time to time, the “*Plan*”) and the Performance Share Unit Award Agreement attached as **Exhibit A** (the “*Agreement*”), both of which are incorporated into this Grant Notice by reference. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:

Grant Date:

End Date:

Normal Vesting Date:

Target Number of PSUs:

Performance Period:

Grant Date – End Date

Performance Goals:

Except as otherwise set forth in the Agreement, Participant is eligible to Vest in and receive Shares based upon the Company's attainment, during the Performance Period, of the TSR Performance Goals set forth below, and satisfaction of continued status as a Service Provider requirements, as set forth in Sections 3.1-3.3 of the Agreement.

Performance Vesting:

The number of PSUs that Performance-Vest and become eligible to Vest shall be determined in accordance with the applicable table below based on the Relative TSR actually attained by the Company during the Performance Period, by multiplying (i) the percentage corresponding to the Company's achievement of Relative TSR during the Performance Period as set forth in the "Number of Target PSUs that Performance-Vest" column below by (ii) the Target Number PSUs. In the event that the Company's actual achievement of Relative TSR falls between two Performance Goals on the table below, then the number of PSUs that shall Performance-Vest for the Performance Period shall be determined by means of linear interpolation.

Notwithstanding the foregoing, if the Company's TSR for the Performance Period is less than zero, then the maximum number of PSUs that may Performance-Vest shall be no greater than the Target Number of PSUs.

Any PSUs remaining unearned and/or unvested following the determination of the TSR actually attained by the Company during the Performance Period shall be forfeited immediately.

<i>Relative TSR for Performance Period</i>	<i>Number of Target PSUs that Performance-Vest</i>
Below __th Percentile	0%
__th Percentile	50%
__th Percentile	62.5%
__th Percentile	75%
__th Percentile	87.5%
__th Percentile	100%
__th Percentile	112.5%
__th Percentile	125%
__th Percentile	137.5%
__th Percentile	150%
__th Percentile	162.5%
__th Percentile	175%
__th Percentile	187.5%
__th Percentile and Above	200%

By accepting (whether in writing, electronically or otherwise) the PSUs, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

ENCORE CAPITAL GROUP, INC.

PARTICIPANT

By:

Name:

Title:

PERFORMANCE SHARE UNIT AWARD AGREEMENT

ARTICLE I.

GENERAL

1.1 **Defined Terms.** Wherever the following terms are used in this Agreement they shall have the meanings specified below, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

(a) **“Beginning Price”** means, with respect to the Company and any Peer Group Company, the 30 trading-day average market closing price, on the principal exchange on which the Company’s common stock is traded, over the period beginning on (and including) the Grant Date. For purposes of determining the Beginning Price, the value of dividends and other distributions that have an ex-dividend date during such 30 trading-day period shall be determined by treating them as reinvested in additional shares of the applicable company’s common stock at the closing market price on the date of distribution.

(b) **“Cause”** has the meaning set forth in the Letter Agreement.

(c) **“Disability”** means Participant’s “disability” within the meaning of Section 409A.

(d) **“Ending Price”** means the Share Value as of the last day of the Performance Period (which may be the date of a Change in Control, if applicable).

(e) **“Good Reason”** means (i) a material reduction in Participant’s base compensation; (ii) a material reduction in Participant’s authority, duties or responsibilities; (iii) a material reduction in the authority, duties or responsibilities of the person to whom Participant reports; (iv) a material reduction in the budget over which Participant retains authority; or (v) a material change in the location at which Participant provides services for the Company (which is defined as any relocation by the Company of Participant’s employment to a location that is more than 35 miles from Participant’s present office location and is more than 35 miles from Participant’s primary residence at the time of such relocation, without Participant’s consent). To be eligible to receive any benefits set forth herein in connection with a termination for Good Reason, (x) Participant 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 Participant’s initial written notice or it must have stated unequivocally in writing that it does not intend to attempt to cure such condition; and (z) Participant must 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.

(f) **“Letter Agreement”** means that certain letter agreement by and between Participant and the Company dated February 24, 2014, as may be amended.

(g) **“Peer Group Companies”** means only those entities that are set forth on Schedule I attached hereto (collectively, the **“Peer Group”**); provided, however, that if a Peer Group Company is acquired or otherwise ceases to have a class of equity securities that is both registered under the Securities

Exchange Act of 1934 and actively traded on a U.S. public securities market, such Peer Group Company will be removed from the Peer Group.

(h) “**Performance Goals**” means the Relative TSR and TSR goals with respect to the Performance Period, as set forth in the Grant Notice.

(i) “**Performance-Vest**” means that, with respect to a PSU, the applicable Performance Goal has been achieved or deemed achieved pursuant to this Agreement.

(j) “**Qualifying Termination**” means a Termination of Service (i) by the Company without Cause, (ii) by Participant for Good Reason on or within 12 months after a Change in Control, or (iii) due to Participant’s death or Disability.

(k) “**Relative TSR**” means, with respect to the Performance Period, the Company’s TSR, as a percentile with respect to the range of TSRs of each of the Peer Group Companies.

(l) “**Separation from Service**” means Participant’s “separation from service” from the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code.

(m) “**Share Value**,” as of any given date, means the 30 trading-day trailing average market closing price ending on and including such date; *provided, however*, that if the Performance Period ends upon the consummation of a Change in Control, Share Value with respect to the Company shall mean the price per Share paid by the acquiror in the Change in Control transaction or, to the extent that the consideration in the Change in Control transaction is paid in stock of the acquiror or its affiliate, then Share Value shall mean the value of the consideration paid per Share based on the average of the closing trading prices of a share of such acquiror stock on the principal exchange on which such shares are then traded for each trading day during the five consecutive trading days ending on and including the date on which a Change in Control occurs, unless otherwise determined by the Administrator in connection with valuing any shares that are not publicly traded. For purposes of determining the Share Value, the value of dividends and other distributions that have an ex-dividend date during such 30 trading-day period shall be determined by treating them as reinvested in additional shares of the applicable company’s common stock at the closing market price on the date of distribution.

(n) “**TSR**” means, with respect to the Company and any Peer Group Company, the quotient obtained by dividing (i) the sum of (A) the difference obtained by subtracting the applicable Beginning Price from the applicable Ending Price, plus (B) the aggregate per share dividends and other distributions that have an ex-dividend date during the Performance Period (assuming the reinvestment in shares of such dividends and distributions) by (ii) the applicable Beginning Price; *provided, however*, that TSR for a Peer Group Company will be deemed to be negative one hundred percent (-100%) if the Peer Group Company (i) files for bankruptcy, reorganization or liquidation under any chapter of the U.S. Bankruptcy Code; (ii) is the subject of an involuntary bankruptcy proceeding that is not dismissed within 30 days; (iii) is the subject of a stockholder approved plan or liquidation or dissolution; or (iv) otherwise becomes involved or ceases to conduct substantial business operations.

(o) “**Vest**” or “**Vested**” means that, with respect to a PSU, both (i) such PSU has Performance-Vested and (ii) the continued service condition has been satisfied.

(p) “**Vesting Date**” means, with respect to a PSU, the date on which the PSU becomes Vested.

1.2 Incorporation of Terms of Plan. The PSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II

PSUS AND DIVIDEND EQUIVALENTS

2.1 Grant of PSUs. The Company has granted the PSUs to Participant effective as of the grant date set forth in the Grant Notice (the "**Grant Date**"). Each PSU represents the right to receive one Share, as set forth in this Agreement. Participant will have no right to the distribution of any Share underlying a PSU until the time (if ever) such PSU has Vested.

2.2 Dividend Equivalents. The Company hereby grants to Participant, with respect to each PSU, a Dividend Equivalent for ordinary cash dividends paid to substantially all holders of outstanding Shares with a record date after the Grant Date and prior to the date the applicable PSU is settled, forfeited or otherwise expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends paid on a single Share that becomes Vested in accordance with this Agreement. The Company will establish a separate Dividend Equivalent bookkeeping account (a "**Dividend Equivalent Account**") for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the amount of any such cash paid. Any Dividend Equivalents granted in connection with the PSUs issued hereunder, and any amounts that may become distributable in respect thereof, shall be treated separately from such PSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A. Participant shall not be entitled to any Dividend Equivalent payment with respect to any PSU that does not Vest in accordance with this Agreement.

2.3 Unsecured Promise. The PSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

ARTICLE III.

VESTING; FORFEITURE AND SETTLEMENT

3.1 Performance-Based Right to Payment. The Administrator shall determine the Company's achievement of the applicable Performance Goals after the end of the Performance Period, but no later than the Normal Vesting Date. Subject to Sections 3.2 and 3.3 hereof, the number of PSUs that Performance-Vest shall be determined as of such determination date, and shall Vest on the Normal Vesting Date subject to Participant's continued status as a Service Provider through the Normal Vesting Date.

3.2 Change in Control. Notwithstanding Section 3.1 hereof, and subject to Section 3.3 hereof, in the event that a Change in Control occurs at any time prior to the End Date, Participant is a Service Provider as of immediately prior to such Change in Control:

(a) And an Assumption of the PSUs does not occur in connection with such Change in Control, then a number of PSUs shall Performance-Vest and Vest as of immediately prior to such Change

in Control based on the Company's actual achievement of the Performance Goals during the Performance Period through such Change in Control.

(b) And an Assumption of the PSUs occurs in connection with such Change in Control, then a number of PSUs shall Performance-Vest as of immediately prior to such Change in Control based on the Company's actual achievement of the Performance Goals during the Performance Period through such Change in Control, and thereafter shall remain outstanding and eligible to Vest on the Normal Vesting Date, subject to Participant's continued status as a Service Provider through such date (and any PSUs that do not Performance-Vest shall be forfeited as of immediately prior to such Change in Control). The PSUs that remain outstanding from the Change in Control to the Normal Vesting Date are referred to herein as the "***Time-Vesting Units***".

3.3 Termination. Notwithstanding Section 3.1 hereof:

(a) In the event that Participant experiences a Qualifying Termination due to Participant's death or Disability, in either case prior to a Change in Control, then the number of PSUs that Performance-Vest and Vest and become payable hereunder as of the termination date shall equal the Target Number of PSUs. In the event that Participant experiences a Qualifying Termination due to Participant's death or Disability on or following a Change in Control, then the Time-Vesting Units shall Vest and become payable hereunder as of the termination date.

(b) Subject to Section 3.3(c), in the event that Participant experiences a Qualifying Termination due to a termination by the Company without Cause, then the PSUs will be subject to vesting and forfeiture in accordance with the terms and conditions in the Letter Agreement; *provided, however*, that notwithstanding anything to the contrary contained in the Letter Agreement (which, to the extent of such contradiction, is expressly superseded by this Agreement), if such termination occurs prior to a Change in Control the Award will not be subject to Section 3.2 and instead shall be forfeited as of immediately prior to such Change in Control.

(c) In the event that Participant experiences a Qualifying Termination due to a termination by the Company without Cause or by Participant for Good Reason, in either case, on or within 12 months after a Change in Control, then the Time-Vesting Units shall Vest and become payable hereunder as of the termination date.

3.4 Forfeiture.

(a) *Termination of Service*.

(i) In the event that Participant experiences a Termination of Service that is not a Qualifying Termination, all of the PSUs shall thereupon automatically be forfeited by Participant as of the date of termination, and Participant's rights in any such PSUs, including without limitation any Dividend Equivalents (including any Dividend Equivalent Account balance), shall thereupon lapse and expire.

(ii) Any PSUs (including any Time-Vesting Units) that do not become Vested in connection with a Qualifying Termination due to Participant's death or Disability, or due to Participant's termination by the Company without Cause or by Participant for Good Reason, in either case, on or within 12 months after a Change in Control, shall thereupon automatically be forfeited by Participant as of the date of termination. Any PSUs (including any Time-Vesting Units) that do not become Vested in connection with

a Qualifying Termination due to Participant's termination by the Company without Cause shall be forfeited by Participant in accordance with the forfeiture terms in the Letter Agreement. In the event that any PSUs are forfeited by Participant, Participant's rights in any such PSUs and such portion of the Award, including without limitation any Dividend Equivalents (including any Dividend Equivalent Account balance), shall thereupon lapse and expire.

(b) *Failure to Achieve Performance Goals; Change in Control.* Except as set forth in Sections 3.2 and 3.3, any outstanding PSUs that do not Performance-Vest due to the failure by the Company to achieve the Performance Goals (in whole or in part), including in connection with a Change in Control, or do not Vest on a Change in Control in which an Assumption of the Award does not occur, shall automatically be forfeited by Participant as of the End Date or Change in Control, as applicable, and Participant's rights in any such PSUs and such portion of the Award, including without limitation any Dividend Equivalents, shall thereupon lapse and expire.

3.5 Settlement

(a) The PSUs that Vest in accordance with this Agreement will be paid in Shares within 30 days after the applicable Vesting Date; *provided, however*, that such payment will occur no later than March 15 immediately following the applicable Vesting Date. Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in Shares or cash (at the Company's option) as soon as administratively practicable after the Vesting of the applicable underlying PSU, but in no event more than 30 days after such PSU's Vesting Date (but in no event later than March 15 immediately following the applicable Vesting Date). Notwithstanding anything to the contrary contained herein, the exact payment date of any PSUs and any Dividend Equivalents shall be determined by the Company in its sole discretion (and Participant shall not have a right to designate the time of payment).

(b) Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

(c) If a Dividend Equivalent is paid in Shares, the number of Shares paid with respect to the Dividend Equivalent will equal the quotient, rounded down to the nearest whole Share, of the Dividend Equivalent Account balance divided by the Fair Market Value of a Share on the day immediately preceding the payment date.

ARTICLE IV.

TAXATION AND TAX WITHHOLDING

4.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

4.2 Tax Withholding.

(a) The Company shall withhold, or cause to be withheld, Shares otherwise vesting or issuable under this Award (including the PSUs or Dividend Equivalents) in satisfaction of any applicable withholding tax obligations. The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a fair market value on the date of withholding no greater than the aggregate amount of such liabilities based on the maximum individual statutory withholding rates in Participant's applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income. To the extent that any Federal Insurance Contributions Act tax withholding obligations arise in connection with the PSUs or the Dividend Equivalents prior to the applicable vesting or payment date, the Administrator may accelerate the payment of a portion of the award of PSUs sufficient to satisfy (but not in excess of) such tax withholding obligations and any tax withholding obligations associated with any such accelerated payment, and the Administrator shall withhold such amounts in satisfaction of such withholding obligations.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the PSUs and the Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the PSUs or Dividend Equivalents. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the PSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the PSUs or Dividend Equivalents to reduce or eliminate Participant's tax liability.

4.3 Section 409A.

(a) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any such regulations or other guidance that may be issued after the effective date of this Agreement. Notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that the PSUs or the Dividend Equivalents (or, in each case, any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate either for the PSUs and/or Dividend Equivalents to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

(b) All payments of nonqualified deferred compensation subject to Section 409A to be made upon a termination of employment or service under this Agreement may only be made upon Participant's Separation from Service.

(c) Notwithstanding anything to the contrary in this Agreement, no amounts shall be paid to Participant under this Agreement during the six-month period following Participant's Separation from Service to the extent that the Administrator determines that Participant is a "specified employee" (within the meaning of Section 409A) at the time of such Separation from Service and that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six-month period (or such earlier date upon which such amount can be paid under Section 409A without being subject to such additional taxes), the Company shall

pay to Participant in a lump-sum all amounts that would have otherwise been payable to Participant during such six-month period under this Agreement.

ARTICLE V.

OTHER PROVISIONS

5.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. Without limiting the generality of the foregoing, all determinations, interpretations and assumptions relating to the calculation and payment of the PSUs (including, without limitation, determinations, interpretations and assumptions with respect to TSR calculations) shall be made by the Administrator. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon Participant, the Company and all other interested persons.

5.2 Adjustments. Participant acknowledges that the PSUs, the Shares subject to the PSUs, the Dividend Equivalents and the Performance Goals are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan. The Administrator shall also have the exclusive authority, in its reasonable discretion, to make proper adjustments and/or modifications to one or more Performance Goals in the event of any extraordinary, unusual or infrequent events or occurrences, or changes in accounting principles or Applicable Laws, affecting a Performance Goal that the Administrator determines have an unintended effect on the calculation of the Performance Goals.

5.3 Other Stock or Cash Based Awards. This Award shall constitute an Other Stock or Cash Based Award for purposes of the Plan.

5.4 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

5.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.6 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

5.7 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement

will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

5.8 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the PSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

5.9 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

5.10 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

5.11 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PSUs and Dividend Equivalents, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the PSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

5.12 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

5.13 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

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SCHEDULE I

Peer Group Companies