

PROG HOLDINGS, INC.
CORPORATE GOVERNANCE GUIDELINES

(Adopted on October 16, 2020)

The Board of Directors (the “Board”) of PROG Holdings, Inc. (the “Company”) has adopted these Corporate Governance Guidelines (the “Guidelines”) in order to assist the Board in the exercise of its responsibilities.

These Guidelines should be interpreted in the context of all applicable laws and the Company’s articles of incorporation, bylaws, Board committee charters and other corporate governance documents. The Guidelines are necessarily subject to review and modification from time to time by the Board, as the Board may deem appropriate and in the best interests of the Company and its shareholders, and as required by applicable laws and regulations.

I. Role of the Board.

On behalf of and for the benefit of the shareholders of the Company, the Board provides governance over the Company’s affairs and oversight of the Company’s business conducted by its officers, managers and employees under the direction of the chief executive officer (the “CEO”). The Board of Directors is elected by the shareholders to represent their interests in perpetuating and increasing the value of the business enterprise, including optimizing long-term financial returns. The Board is responsible for overseeing management of the Company by monitoring the effectiveness of management policies and decisions, including the execution of the Company’s strategic plan.

II. Functions of the Board.

A. Management. The Board has the duty to oversee the management of the business and affairs of the Company. In fulfilling these responsibilities, a director has a duty to spend the time and effort necessary in order to be informed about the business and affairs of the Company. A director also has a duty to act in the best interest of the Company and its shareholders.

B. Committees. The Board shall have at least three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The Board may establish additional committees as necessary or appropriate. The members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee shall satisfy the independence standards required by the New York Stock Exchange (the “NYSE”) listed company standards discussed elsewhere in these Guidelines.

The Board shall appoint the members of each such committee and may designate a chair of each committee, which appointments shall be upon recommendation of the Nominating and Corporate Governance Committee. Members of the committees shall serve

at the pleasure of the Board. Each committee shall report periodically to the full Board with respect to its activities, findings and recommendations. The Board shall adopt charters for each committee of the Board.

The Board may establish other membership criteria for committee members from time to time.

III. Composition of the Board.

A. The Board as a Whole. The Board periodically considers what experience, talents, skills and other characteristics the Board as a whole should possess in order to maintain its effectiveness. This assessment should include, in the context of the perceived needs of the Board at that time, matters of experience, judgment and skills such as understanding of retail, management, manufacturing and distribution technologies, accounting or financial management expertise, etc.

B. Size of the Board. The Company's bylaws provide that the Board shall consist of at least three directors, with the exact number to be fixed from time to time by resolution of the Board.

C. Independent Directors. A majority of the Board shall consist of directors who the Board has determined are "independent" under the rules of the NYSE ("Independent Directors"). In addition, the Board believes it should have a sufficient number of Independent Directors to staff the Board's standing committees and to provide non-management input into the Board's deliberations.

Pursuant to the NYSE listing standards, no director will be deemed an Independent Director unless the Board affirmatively determines that the director has no material relationship with the Company, directly or as an officer, shareholder or partner of an organization that has a relationship with the Company.

NYSE listing standards preclude a determination that a director is an Independent Director under certain circumstances specified in the NYSE Listed Company Manual. Those circumstances, which are not replicated in these Guidelines, include, among others: the receipt by the director or an immediate family member of direct compensation from the Company exceeding \$120,000, other than for Board service; employment of the director in any capacity with the Company, or employment of an immediate family member as an executive officer of the Company; and payments to or from the Company from or to another enterprise for which the director or an immediate family member serves as an executive officer in an amount that exceeds \$1 million, or 2% of the other enterprise's consolidated gross revenues, whichever is greater.

For relationships that are not addressed in the NYSE Listed Company Manual, the Board has established the following standards in determining whether a relationship is material:

1. A relationship that does not require disclosure in the Company's annual Proxy Statement shall generally not be considered material.
2. If a director is a director, officer or trustee of a charitable organization and the Company's annual charitable contributions to the organization do not exceed the greater of \$1 million or 2% of the organization's total annual charitable receipts, the relationship shall generally not be considered material.
3. A director's position (or a director's immediate family member's position) as an independent director of another company that transacts business with the Company shall not generally be considered a material relationship, absent other circumstances.
4. A director's immediate family member's non-executive position with another company that transacts business with the Company shall not generally be considered a material relationship, absent other circumstances.

For other relationships, a majority of the Company's Independent Directors may make a determination whether or not such relationship is material and whether the director may therefore be considered independent under the NYSE rules.

Audit Committee. In addition to being an Independent Director, the Audit Committee members shall satisfy the additional independence criteria prescribed by the rules of the Securities & Exchange Commission (the "SEC"), as summarized below:

1. No member shall be an "affiliated person" of the Company (which includes an executive officer of the Company, a 10%-or-greater shareholder of the Company or an executive officer or employee director of a 10%-or-greater shareholder of the Company).
2. No member shall accept directly or indirectly any compensatory fees other than for Board or committee service, provided that, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service). "Indirect" receipt includes acceptance of such a fee by (i) a spouse, a minor child or stepchild or a child or stepchild sharing a home with the member or (ii) an entity in which such member is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company.

All members of the Audit Committee (or subcommittee thereof) shall also be “financially literate” as determined by the Board in its business judgment, and at least one member shall satisfy the criteria for an “audit committee financial expert” under the rules of the SEC.

Compensation Committee. In affirmatively determining the independence of any director who will serve on the Compensation Committee, the Board will consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to: (A) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and (B) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company. When considering the sources of compensation, the Board should consider whether the director receives compensation from any person or entity that would impair his or her ability to make independent judgments about executive compensation. When considering any affiliate relationship, the Board should consider whether the relationship places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair his or her ability to make independent judgments about executive compensation.

Each member of the Compensation Committee shall, in addition to being an Independent Director, satisfy the criteria for a “Non-Employee Director” pursuant to Rule 16b-3 under the Securities Exchange Act of 1934, and the criteria for an “outside director” pursuant to Section 162(m) of the Internal Revenue Code (provided, that with respect to the standards under Rule 16b-3 and Section 162(m), a subcommittee of at least two directors may be formed who satisfy these standards).

The Board shall review, on an annual basis, the independence of the members of the Board.

IV. Board Leadership.

A. CEO/Chairman. The Board does not have a set policy on whether the positions of CEO and Chairman of the Board (“Chairman”) should be separate or united, but rather will make that determination from time to time in its judgment. The Chairman shall have such duties and powers as described in the Company’s bylaws, and as are customary for such office, subject to the powers of the Lead Director, if any. The Chairman of the Board shall be elected by the Board and serve at its pleasure.

B. Lead Director. If the CEO and Chairman positions are united, or if the Chairman is otherwise not an Independent Director, the Board shall elect an Independent Director to serve as the “Lead Director,” who shall have the powers and duties described below. The Lead Director shall be elected by the Independent Directors of the Board and shall serve at their pleasure.

The Lead Director's powers and duties shall include:

1. engaging with the Chairman and CEO and other directors to identify matters for discussion at Board meetings and executive sessions of the Independent Directors;
2. presiding at executive sessions;
3. advising the Chairman and CEO of decisions reached, and suggestions made, at such executive sessions;
4. calling meetings of the Independent Directors;
5. presiding at each Board meeting at which the Chairman is not present;
6. reviewing and approving the agenda (including adding items to the agenda), schedule and materials for each Board meeting and executive session;
7. facilitating communication between the Independent Directors and the Chairman and CEO, including by presenting the Chairman and CEO's views, concerns and issues to the Independent Directors and reporting to the Chairman and CEO any views, concerns and issues of the Independent Directors;
8. engaging with the Chairman and CEO between Board meetings and assist with informing or engaging with Independent Directors, as appropriate;
9. meeting directly with management and non-management employees of the firm;
10. if requested by major shareholders, being available for consultation and direct communication; and
11. representing the Independent Directors to the public under circumstances in which it is appropriate for the Independent Directors to represent the Company (for instance, in connection with CEO succession).

The Board shall review its leadership structure periodically.

V. Selection of Directors.

A. Nomination of Director Candidates. The Nominating and Corporate Governance Committee is responsible for considering and making recommendations to the Board concerning nominees for election as director at the Company's meetings of shareholders, and nominees for appointments to fill any vacancy on the Board. The Nominating and Corporate Governance Committee is responsible for initially assessing whether a candidate would be an Independent Director. The Board, taking into consideration the recommendations of the Nominating and Corporate Governance Committee, is

responsible for considering and making recommendations to the shareholders concerning nominees for election as director at the Company's meetings of shareholders and for appointing directors to fill vacancies. The Board, taking into consideration the assessment of the Nominating and Corporate Governance Committee, shall make a determination as to whether a nominee or appointee would be an Independent Director.

In determining whether to nominate an incumbent director for reelection, the Nominating and Corporate Governance Committee and Board evaluate each incumbent's continued service, in light of the Board's collective requirements, including the Board's mandatory retirement age set forth in Section V.D.5 of these Guidelines. When the need for a new director arises (whether because of a newly created Board seat or vacancy), the Nominating and Corporate Governance Committee and Board may proceed by whatever means they deem appropriate to identify a qualified candidate or candidates, including by engaging director search firms. The Nominating and Corporate Governance Committee and Board evaluate the qualifications of each candidate. Final candidates are generally interviewed by one or more Nominating and Corporate Governance Committee or other Board members before the Board makes a decision.

B. Shareholder Nominations at a Meeting. Nominations of individuals for election to the Board at any meeting of shareholders at which directors are to be elected may be made by any shareholder entitled to vote for the election of directors at that meeting by complying with the procedures set forth in the Company's bylaws. The Company's bylaws generally require that shareholders submit nominations by written notice to the President setting forth certain prescribed information about the nominee and nominating shareholder. That section also requires that the nomination be submitted at a prescribed time in advance of the meeting, which deadline appears in the Company's annual Proxy Statement for the year preceding the meeting in question.

C. Shareholder Nominees on the Board's Slate. The Nominating and Corporate Governance Committee and Board will consider including in its slate of director nominees for an annual shareholders' meeting a nominee submitted to the Company by a shareholder. In order for the Nominating and Corporate Governance Committee and Board to consider such nominees, the nominating shareholder should submit the information about the nominee and nominating shareholder described in the bylaws to the President at the Company's principal executive offices at least 120 days before the first anniversary of the date that the Company's Proxy Statement was released to shareholders in connection with the previous year's annual meeting of shareholders. The nominating shareholder should expressly indicate that such shareholder desires that the Nominating and Corporate Governance Committee and Board consider such shareholder's nominee for inclusion with the Board's slate of nominees for the meeting. The nominating shareholder and shareholder's nominee should undertake to provide, or consent to the Company obtaining, all other information the Board requests in connection with its evaluation of the nominee.

The shareholder's nominee must satisfy the minimum qualifications for director described in Section V.D of these Guidelines. In addition, in evaluating shareholder nominees for inclusion with the Board's slate of nominees, the Nominating and Corporate

Governance Committee and Board may consider all relevant information, including: the other factors described in Sections III.A and V.D. of these Guidelines; whether there are or will be any vacancies on the Board; and the size of the nominating shareholder's holdings in the Company; and the length of time such shareholder has owned such holdings.

D. Qualifications.

1. At a minimum, directors should have high moral character and personal integrity, demonstrated accomplishment in his or her field, the ability to devote sufficient time to carry out the duties of a director; and be at least 21 years of age. Members of the Board should demonstrate the kind of ability and judgment to work effectively with other members of the Board to serve the long-term interests of the shareholders. Members should act in a thorough and inquisitive manner, be objective and have practical wisdom and mature judgment.

In addition to these minimum qualifications for candidates, in evaluating candidates the Nominating and Corporate Governance Committee and Board may consider all information relevant in their business judgment to the decision of whether to nominate a particular candidate for a particular Board seat, taking into account the then-current composition of the Board. These factors may include:

- a) a candidate's professional and educational background, reputation, industry knowledge and business experience, and the relevance of those characteristics to the Company and the Board;
- b) whether the candidate will complement or contribute to the mix of talents, skills and other characteristics needed to maintain the Board's effectiveness; and
- c) the candidate's ability to fulfill the responsibilities of a director and of a member of one or more of the Board's standing committees.

The Company endeavors to have a Board representing diverse experience at policy-making levels of business, government, education and technology, and in areas that are relevant to the Company's activities. Diversity of race, ethnicity, gender and age are also important factors in evaluating candidates for Board membership.

2. Directors should inform the Chairman and Lead Director in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities. The Nominating and Corporate Governance Committee and remaining directors then determine the appropriateness of continued Board membership.

3. Directors who also serve as CEOs or in equivalent positions at other companies should not serve on more than two boards of public companies in addition to the Board, and other directors should not serve on more than four other boards of public companies in addition to the Board, unless the Board determines in its business judgment that such simultaneous service will not impair the director's ability to serve on the Company's

Board and that such simultaneous service is otherwise in the best interests of the shareholders. Members of the Audit Committee shall not serve on the audit committees of more than two other public company audit committees in addition to the Company's Audit Committee, unless the Board determines in its business judgment that such simultaneous service will not impair the director's ability to serve on the Company's Audit Committee and that such simultaneous service is otherwise in the best interests of the shareholders. Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the director's service on the Board or the Audit Committee.

4. Prior to accepting an invitation to serve on another public company board of directors, directors should advise the Chairman and the Lead Director.

5. Except as set forth herein, no person will be nominated for election to the Board, or appointed to fill a vacancy on the Board, if he or she is or will be age 75 or older upon his or her election or appointment. Any director who reaches age 75 during his or her term and desires to be re-nominated for election to the Board for a new term, shall notify the Nominating and Corporate Governance Committee in writing and request that the mandatory retirement age set forth herein be waived. Such request shall be made as promptly as practicable (and, in any event, no later than 120 days before the first anniversary of the date that the Company's Proxy Statement was released to shareholders in connection with the previous year's annual meeting of shareholders except where the Nominating and Corporate Governance Committee elects to extend such deadline in its discretion). The Nominating and Corporate Governance Committee will review and consider such request on a case-by-case basis and, if applicable, no less often than annually thereafter. Pursuant to Section V.A. of these Guidelines, the Nominating and Corporate Governance Committee will make a recommendation to the Board whether the director seeking a waiver of the mandatory retirement age set forth herein should be granted and the Board, taking into consideration such recommendation, shall be responsible for making the final determination as to whether the director will be re-nominated for election to the Board for a new term. The Nominating and Corporate Governance Committee will periodically review and consider the mandatory retirement age policy set forth in this Section V.D.5 in order that it remains appropriate in light of the Company's needs.

6. If a director wishes to resign, retire or not to stand for reelection at the end of his or her current term, the director will notify both the Chairman and the Chairman of the Nominating and Corporate Governance Committee in writing, with a copy to the Corporate Secretary. The Nominating and Corporate Governance Committee shall consider such notification and shall make a recommendation to the Board, which will decide the action, if any, to be taken with respect to the notification.

7. Any person then serving as a director will immediately offer to resign in the event such person, or his or her respective affiliates or associates, directly or indirectly, takes any action or encourages or supports the efforts of any others (or joins any group) to (a) nominate, propose or vote in favor of any person(s) for election as director(s) to the Board (other than any nominee(s) proposed by the Board) or oppose for election any nominee(s) proposed by the Board or (b) make or participate in any "solicitation" of "proxies" (as those

terms are used in the proxy rules under the Securities Exchange Act of 1934 and the regulations thereunder) with respect to any of the Company's securities (other than any proxy solicitation(s) in favor of a matter approved by the Board).

8. The Board self-evaluation process described below is also an important factor for the Nominating and Corporate Governance Committee and Board determination on whether to re-nominate any incumbent director.

VI. Meetings of the Board of Directors and Committees of the Board.

A. Board of Directors.

1. **Meetings of the Board.** The Board shall endeavor to have regular meetings four times a year, as determined by the Board, and may have special meetings as called pursuant to the Company's bylaws. A director is expected to regularly attend meetings of the Board and of those committees of the Board on which a director may sit and to spend the time needed to properly discharge his or her responsibilities.

2. **Board Meeting Agenda.** The Chairman, and the Lead Director, if any, shall confer and jointly set the date, time, place and length of each meeting and the agenda of items to be addressed at each meeting, which agenda shall be circulated in advance of the meeting. Any director may suggest items for the Board agenda.

3. **Meeting Materials.** Information, data and other materials relevant to the matters to be considered at each meeting of the Board shall be, to the extent practicable, distributed in writing or electronically to all members of the Board sufficiently prior to the meeting to permit review by members of the Board in advance of the meeting.

4. **Meetings of Non-Management/Independent Directors.** Non-management directors of the Company shall have a regular meeting in executive session without the presence of the Company's management at least periodically, as determined by the non-management directors. If any non-management director is not an Independent Director, the Independent Directors shall also meet in executive session without the presence of management or the non-independent directors at least once a year.

If the Chairman is an Independent Director, then the Chairman shall chair such meeting. If not, then the Lead Director shall chair such meeting.

B. Committees of the Board.

1. **Frequency and Length of Committee Meetings.** Committee chairs, in consultation with committee members, will determine the frequency and length of committee meetings.

2. **Committee Agenda.** Committee Chairs, in consultation with the Chairman and Lead Director, as appropriate, will develop each committee's agenda.

VII. Director Access to and Reliance on Others.

A. Director Access to Officers and Employees. The Board shall have access to all officers and employees of the Company and any of its subsidiaries for the purposes of obtaining all the information necessary for the Board to fulfill its duties. Further, the Company's management, at the discretion of the Board, is permitted to invite any officer or employee to any meeting of the Board at which such person's presence and expertise would be helpful to the Board in having a full understanding of an issue under consideration.

B. Director Access to Independent Advisors. The Board shall also have the authority to obtain advice and seek assistance from internal and external legal, accounting and other advisors, as it deems appropriate. The Board shall have sole authority to approve the fees of such consultants or advisors and other retention terms as it deems appropriate, all at the Company's expense.

C. Reliance. The Board and each committee, and each member of the Board and each committee in his or her capacities as such, shall be entitled to rely, in good faith, upon the records of the Company and upon such information, opinions, reports or statements, or other information prepared or presented to the Company by (i) any of the officers or other employees of the Company or its subsidiaries whom the Board, committee or member believes to be reliable and competent in the matters presented, (ii) counsel, independent auditors, other public accountants, consultants or other persons as to matters which the Board, committee or member believes to be within the professional competence of such person, or (iii) another committee of the Board as to matters within its designated authority which the Board, committee or member believes to merit confidence.

IX. Compensation of Directors.

A. Non-Management Directors. Each director of the Company who is not simultaneously employed as an executive officer will be properly compensated and reimbursed for his or her service as a director. The Compensation Committee will periodically evaluate the compensation and other benefits for non-management directors, may retain compensation consultants as it deems necessary or appropriate and may make recommendations to the Board regarding changes to director compensation. Board members shall be reimbursed for reasonable travel and other expenses related to Company business.

B. Executive Officers on the Board. Executive officers of the Company who serve on the Board shall not receive any additional compensation from the Company in exchange for their services as directors.

C. Chairman, Lead Directors, Committee Chairs, Etc. The Compensation Committee and the Board may approve additional compensation above the base compensation for directors for independent Chairmen, Lead Directors, Committee Chairs or committee members.

D. Form of Director Fees. The fees for directors may be received in the form of cash and/or stock, options or other in-kind consideration ordinarily made available to corporate directors.

X. Director Orientation and Continuing Education.

The Company shall provide each new director opportunities for such director to familiarize him or herself with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, ethics and conduct codes, insider trading policy, principal officers and internal and independent auditors. Management will make presentations from time to time as appropriate to make the Board aware of all material business, legal and other developments relating to such matters. Further, each director is strongly encouraged to participate in independent continuing director educational programs in order to maintain the requisite level of expertise to perform his or her responsibilities as a director, including programs addressing legal, financial and regulatory issues. The Company will reimburse reasonable fees and expenses for a director's attendance at such programs.

XI. Evaluation of Board and Officers.

A. Evaluation of Officers. The Compensation Committee and Board shall on an annual basis review the performance of the CEO and other named executive officers whose compensation is reported in the annual Proxy Statement.

B. Succession Planning. The Nominating and Corporate Governance Committee and Board shall periodically discuss with the CEO and management succession planning, and make plans for unexpected contingencies.

C. Board and Director Evaluation. The Nominating and Corporate Governance Committee and Board shall conduct periodic reviews and evaluations of its collective conduct and performance, and the conduct and performance of each director. The review shall seek to identify specific areas, if any, in need of improvement or strengthening and shall culminate in a discussion by the full Board of the results and any actions to be taken.

XII. Board Interaction with Shareholders, the Press, Customers, Etc.

The CEO and, as appropriate, designated members of senior management speak for the Company. An independent Chairman, or a Lead Director in the absence of an independent Chairman, may speak on matters upon which it is inappropriate for an executive officer to speak upon. Other individual directors may, on occasion and with the approval of the Board, meet or otherwise communicate with interested parties.

Interested parties who wish to make their concerns known by communicating directly with an independent Chairman, or the Lead Director in the absence of an independent Chairman, or with the non-management directors as a group may do so in writing addressed to the attention of the Corporate Secretary.

XIII. Stock Ownership.

The Board strongly encourages directors to own a meaningful number of shares of the Company's common stock and common stock equivalents. Each director is expected to own, or acquire within the later of (i) January 31, 2020 and (ii) four years of first becoming a director, shares of the Company's common stock and common stock equivalents, which shall include shares of vested and unvested restricted shares and/or restricted stock units, equal in value to at least \$400,000.

XIV. Adequacy of Guidelines.

The Nominating and Corporate Governance Committee and Board shall review the adequacy of these Guidelines periodically.