

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| OMB APPROVAL | |
|--|-----------|
| OMB Number: | 3235-0287 |
| Estimated average burden hours per response: | 0.5 |

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

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|---|---------------|-----------|---|--|--|---|--|--|
| 1. Name and Address of Reporting Person <u>Michaels Steven A</u> | | | 2. Issuer Name and Ticker or Trading Symbol <u>PROG Holdings, Inc. [PRG]</u> | | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: center;">CEO</p> | | |
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) <u>11/30/2020</u> | | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person | | |
| <u>256 WEST DATA DR</u> | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | |
| (Street) | <u>DRAPER</u> | <u>UT</u> | <u>84080</u> | | | | | |
| (City) | (State) | (Zip) | | | | | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|----------------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 11/30/2020 | | A | | 24,245 ⁽¹⁾ | A | \$39.39 | 98,315 | D | |
| Common Stock | 11/30/2020 | | A | | 4,918 | A | ⁽²⁾ | 103,233 | D | |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|--|--|---|--|-------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Stock Options (Right to Buy) | \$27.46 ⁽³⁾ | 11/30/2020 | | A | | 399 ⁽³⁾ | | ⁽⁴⁾ | 02/18/2024 | Stock Options (Right to Buy) | 399 ⁽³⁾ | \$27.46 ⁽³⁾ | 5,134 | D | |
| Stock Options (Right to Buy) | \$26.98 ⁽³⁾ | 11/30/2020 | | A | | 640 ⁽³⁾ | | ⁽⁵⁾ | 04/15/2024 | Stock Options (Right to Buy) | 640 ⁽³⁾ | \$26.98 ⁽³⁾ | 8,237 | D | |
| Stock Options (Right to Buy) | \$25.87 ⁽³⁾ | 11/30/2020 | | A | | 2,124 ⁽³⁾ | | ⁽⁶⁾ | 03/10/2025 | Stock Options (Right to Buy) | 2,124 ⁽³⁾ | \$25.87 ⁽³⁾ | 27,324 | D | |
| Stock Options (Right to Buy) | \$20.88 ⁽³⁾ | 11/30/2020 | | A | | 3,249 ⁽³⁾ | | ⁽⁷⁾ | 02/26/2026 | Stock Options (Right to Buy) | 3,249 ⁽³⁾ | \$20.88 ⁽³⁾ | 41,799 | D | |
| Stock Options (Right to Buy) | \$25.07 ⁽³⁾ | 11/30/2020 | | A | | 2,625 ⁽³⁾ | | ⁽⁸⁾ | 02/24/2027 | Stock Options (Right to Buy) | 2,625 ⁽³⁾ | \$25.07 ⁽³⁾ | 33,765 | D | |
| Stock Options (Right to Buy) | \$43.59 ⁽³⁾ | 11/30/2020 | | A | | 1,992 ⁽³⁾ | | ⁽⁹⁾ | 03/02/2028 | Stock Options (Right to Buy) | 1,992 ⁽³⁾ | \$43.59 ⁽³⁾ | 25,632 | D | |
| Stock Options (Right to Buy) | \$49.97 ⁽³⁾ | 11/30/2020 | | A | | 1,527 ⁽³⁾ | | ⁽¹⁰⁾ | 02/21/2029 | Stock Options (Right to Buy) | 1,527 ⁽³⁾ | \$49.97 ⁽³⁾ | 19,647 | D | |
| Stock Options (Right to Buy) | \$32.07 ⁽³⁾ | 11/30/2020 | | A | | 2,126 ⁽³⁾ | | ⁽¹¹⁾ | 03/06/2030 | Stock Options (Right to Buy) | 2,126 ⁽³⁾ | \$32.07 ⁽³⁾ | 27,356 | D | |

Explanation of Responses:

- In connection with the spin-off of The Aaron's Company, Inc. from PROG Holdings, Inc., the Compensation Committee of the Issuer's Board of Directors determined these performance shares were earned, based on the level of attainment of various financial performance goals. These shares, which were granted in March 2020, are expected to vest in three equal increments on each of March 7, 2021, 2022 and 2023, subject to the grant agreement between the Issuer and the Reporting Person.
- In connection with the spin-off of The Aaron's Company, Inc. from PROG Holdings, Inc., the number of unvested restricted shares and performance shares granted to the Reporting Person prior to the spin-off were adjusted in accordance with the Employee Matters Agreement in a manner intended to preserve the aggregate value of the original corresponding PROG Holdings, Inc. equity grant, which resulted in the Reporting Person receiving these additional shares of PROG Holdings, Inc.
- In connection with the spin-off of The Aaron's Company, Inc. from PROG Holdings, Inc., the number of stock options granted to the Reporting Person prior to the spin-off, and exercise prices of each option award, were adjusted in accordance with the Employee Matters Agreement in a manner intended to preserve the aggregate value of the original corresponding PROG Holdings, Inc. grant of stock options, which resulted in the Reporting Person receiving these additional stock options of PROG Holdings, Inc. at the specified exercise prices.
- These options vested on February 18, 2017.
- These options vested on April 15, 2017.
- These options vested in equal increments on each of March 15, 2016, 2017, and 2018.

7. These options vested in equal increments on each of March 15, 2017, 2018, and 2019.

8. These options vested in equal increments on each of March 15, 2018, 2019, and 2020.

9. Two thirds of these options vested on each of March 7, 2019 and 2020, with the other one third expected to vest on March 7, 2021, subject to the grant agreement between the Issuer and the Reporting Person.

10. One third of these options vested on March 7, 2020. The remaining two thirds of these options are expected to vest in two equal increments on each of March 7, 2021 and 2022, subject to the grant agreement between the Issuer and the Reporting Person.

11. These options are expected to vest in three equal increments on each of March 7, 2021, 2022 and 2023, subject to the grant agreement between the Issuer and the Reporting Person.

Remarks:

/s/ George M. Sewell, by Power
of Attorney for Steven A. Michaels 12/14/2020

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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