

TEXAS CAPITAL BANCSHARES INC/TX  
Form DEF 14A  
April 07, 2016  
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**SCHEDULE 14A**

**PROXY STATEMENT**

**Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

**TEXAS CAPITAL BANCSHARES, INC.**

**(Name of Registrant as Specified In Its Charter)**

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No:

(3) Filing Party:

(4) Date Filed:



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April 7, 2016

Dear Stockholder:

I am pleased to present the 2015 Annual Report of Texas Capital Bancshares, Inc., the holding company for Texas Capital Bank, N.A. Earnings releases, performance information and corporate governance documents may be found in the Investors section of our website at [www.texascapitalbank.com](http://www.texascapitalbank.com).

I would also like to invite you to attend our Annual Meeting of Stockholders, which will be held on Tuesday, May 17, 2016, at 9:00 a.m. at 2000 McKinney Avenue, 7<sup>th</sup> Floor, Dallas, Texas 75201.

The attached Notice of Annual Stockholders Meeting describes the formal business to be transacted at the Annual Meeting. Members of our board of directors and executive officer team will be present at the meeting and will be available to answer questions regarding the Company.

*Your vote is very important.* Whether or not you plan to attend the Annual Meeting, we urge you to vote and submit your proxy by the Internet, telephone or mail.

The board of directors and our employees thank you for your continued support.

Sincerely,

C. Keith Cargill

President and Chief Executive Officer

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**TEXAS CAPITAL BANCSHARES, INC.**

2000 McKinney Avenue,

7<sup>th</sup> Floor

Dallas, Texas 75201

**NOTICE OF ANNUAL STOCKHOLDERS MEETING**

To be held on May 17, 2016

NOTICE IS HEREBY GIVEN that the annual stockholders meeting (the Annual Meeting ) of Texas Capital Bancshares, Inc. (the Company ), a Delaware corporation, and the holding company for Texas Capital Bank, N.A., will be held on Tuesday, May 17, 2016, at 9:00 a.m. at the offices of the Company located at 2000 McKinney Avenue, 7<sup>th</sup> Floor, Dallas, Texas 75201.

The Annual Meeting is for the purpose of considering and voting upon the following matters:

1. election of twelve (12) directors for terms of one year each or until their successors are elected and qualified,
2. approval, on an advisory basis, of the 2015 compensation of the Company s named executive officers as described in the Proxy Statement,
3. ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2016, and
4. transaction of such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof.

We are furnishing our 2015 Annual Report and proxy materials to our stockholders primarily through the Internet in accordance with rules adopted by the Securities and Exchange Commission. Stockholders have been mailed a Notice of Internet Availability of Proxy Materials on or around April 7, 2016, which provides them with instructions on how to vote and how to access the 2015 Annual Report and proxy materials on the Internet. It also provides instructions on how to request paper copies of these materials. Stockholders who previously enrolled in a program to receive electronic versions of the 2015 Annual Report and proxy materials will receive an email notice with details on how to access those materials and how to vote.

Stockholders of record may vote:

By Internet: go to [www.proxypush.com/tcbi](http://www.proxypush.com/tcbi)

By phone: call 866-390-5385 (toll-free) or

By mail: complete and return the enclosed proxy card in the postage prepaid envelope provided.

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If your shares are held in the name of a broker, bank or other nominee, please follow the voting instructions that you receive from the broker, bank or other nominee entitled to vote your shares.

Stockholders of record at the close of business on March 29, 2016 are the only stockholders entitled to notice of and to vote at the Annual Meeting.

All stockholders are cordially invited to attend the Annual Meeting in person. Whether you expect to attend the Annual Meeting or not, please vote your shares. If you are a stockholder of record and attend the Annual Meeting, you may vote your shares in person even though you have previously voted your proxy.

By order of the board of directors,

C. Keith Cargill

President and Chief Executive Officer

April 7, 2016

Dallas, Texas

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Important Notice Regarding the Availability of Proxy Materials for the Annual Stockholders

Meeting to be Held on May 17, 2016:

The Proxy Statement for the 2016 Annual Meeting, the Notice of the 2016 Annual Meeting, the form of proxy and the Company's 2015 Annual Report are available at [www.proxydocs.com/tcbi](http://www.proxydocs.com/tcbi).

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TEXAS CAPITAL BANCSHARES, INC.

2000 McKinney Avenue

7<sup>th</sup> Floor

Dallas, Texas 75201

PROXY STATEMENT

FOR THE ANNUAL STOCKHOLDERS MEETING

ON MAY 17, 2016

MEETING INFORMATION

This Proxy Statement is being furnished to the stockholders of Texas Capital Bancshares, Inc. (the Company) on or about April 7, 2016, in connection with the solicitation of proxies by the board of directors to be voted at the annual stockholders meeting (the Annual Meeting). The Annual Meeting will be held on May 17, 2016, at 9:00 a.m. at the offices of the Company located at 2000 McKinney Avenue, 7th Floor, Dallas, Texas 75201. The Company is the parent corporation of Texas Capital Bank, N.A. (Texas Capital Bank or the Bank).

In accordance with rules and regulations adopted by the Securities and Exchange Commission (SEC), instead of mailing a printed copy of our proxy materials to each stockholder, we are furnishing proxy materials to our stockholders on the Internet. You will not receive a printed copy of the proxy materials, unless specifically requested. The Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice of Internet Availability of Proxy Materials also instructs you as to how you may submit your proxy on the Internet.

The purpose of the Annual Meeting is to consider and vote upon the following matters:

1. election of twelve (12) directors for terms of one year each or until their successors are elected and qualified,
2. approval, on an advisory basis, of the 2015 compensation of the Company's named executive officers as described in the Proxy Statement,
3. ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2016, and
4. transaction of such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof.

RECORD DATE AND VOTING SECURITIES

You are entitled to one vote for each share of common stock you own.

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Only those stockholders that owned shares of the Company's common stock on March 29, 2016, the record date established by the board of directors, will be entitled to vote at the Annual Meeting. At the close of business on the record date, there were 45,900,640 shares of common stock outstanding held by 207 identified holders.

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**QUORUM AND VOTING**

At least a majority of the total number of issued and outstanding shares of common stock as of the record date must be present at the Annual Meeting in person or by proxy and entitled to vote in order to have a quorum to transact business. If there are not sufficient shares present and entitled to vote at the Annual Meeting for a quorum or to approve any proposal, the board of directors may postpone or adjourn the Annual Meeting in order to permit the further solicitation of proxies.

Directors are elected by a plurality of the votes cast at the Annual Meeting. The twelve (12) nominees receiving the highest number of votes will be elected. Votes may be cast for or may be withheld with respect to any or all nominees. For purposes of the election of directors, votes that are withheld and broker non-votes (described below) will be counted as present for purposes of establishing a quorum but will not be counted as votes cast and will have no effect on the result of the vote. Stockholders may not cumulate votes in the election of directors. In accordance with our Majority Voting Policy, any nominee for election as a director who receives a greater number of withhold votes than votes for election in an uncontested election must deliver his or her resignation to the board of directors. The board of directors will determine whether to accept the resignation based upon the recommendation of the Governance and Nominating Committee and consideration of the circumstances. See *Board and Committee Matters Corporate Governance* for more information on the Majority Voting Policy.

The affirmative vote of a majority of the shares of the Company's common stock present in person or by proxy at the Annual Meeting is required to approve (i) on an advisory basis, the 2015 compensation of our named executive officers and (ii) ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm. Votes on these proposals may be cast for, against or abstain. An abstention will have the effect of a vote against the matter. Broker non-votes will have no effect on the outcome of these votes. Abstentions, votes against and broker non-votes will be counted as present for purposes of establishing a quorum. The resolutions with respect to the 2015 compensation of our named executive officers and with respect to the ratification of the selection of Ernst & Young LLP are advisory only and will not be binding upon the Company or its board of directors.

A broker non-vote occurs when a bank, broker or other nominee holding shares for a beneficial owner submits an executed proxy to the Company but does not vote on a particular proposal because it does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. If your shares are held in the name of a bank, broker or other nominee, they are not permitted to vote on your behalf on proposals one and two at the Annual Meeting unless you provide specific instructions by following the instructions they provide to you. For your vote to be counted in the election of directors or advisory vote on executive compensation, you must communicate your voting decisions to your bank, broker or other nominee within the time period stated in their instructions to you. Your bank, broker or other nominee will be permitted to vote on proposal three without instructions from you.

The individuals named as your proxies will vote properly completed proxies received prior to the Annual Meeting in the way you direct. If you do not specify how the proxy is to be voted, the shares represented by those properly completed proxies will be voted to elect the twelve (12) director nominees, to approve, on an advisory basis, the 2015 compensation of our named executive officers, and to ratify the selection of Ernst & Young LLP as the Company's independent registered public accounting firm. If your shares are held by a bank, broker or other nominee and you want to vote in person at the Annual Meeting, you must obtain a legal proxy from the record holder and present it at the Annual Meeting.

If you are a stockholder of record you may revoke a proxy at any time before the proxy is exercised by:

1. delivering written notice of revocation to Texas Capital Bancshares, Inc., Attn: Corporate Secretary Annual Meeting, 2000 McKinney Avenue, 7<sup>th</sup> Floor, Dallas, Texas 75201;

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2. submitting another properly completed proxy card that is later dated;
3. voting by telephone at a subsequent time;
4. voting through the Internet at a subsequent time; or
5. voting in person at the Annual Meeting.

If your shares are held in the name of a broker, bank or other nominee, please follow the instructions that you receive from them in order to instruct them to revoke the voting of your shares.

Please review the proxy materials and follow the relevant instructions to vote your shares. We hope you will exercise your rights and fully participate as a stockholder.

**SOLICITATION OF PROXIES**

It is important that you are represented by proxy or are present in person at the Annual Meeting. The Company requests that you vote your shares by following the instructions as set forth in the Notice of Internet Availability of Proxy Materials. Your proxy will be voted in accordance with the directions you provide.

Other than the election of twelve (12) directors, approval, on an advisory basis, of 2015 executive compensation and ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm, the Company is not aware of any additional matters that will be presented for consideration at the Annual Meeting. However, if any additional matters are properly brought before the Annual Meeting, your proxy will be voted in the discretion of the persons designated as proxies on the proxy card.

The Company's board of directors is making this solicitation and the Company will pay the costs of this proxy solicitation. The directors, officers and regular employees of the Company and the Bank may also solicit proxies by telephone or in person but will not be paid additional compensation to do so.

We are permitted to send a single Notice of Annual Stockholders Meeting ( Notice ) and any other proxy materials we choose to mail to stockholders who share the same last name and address. This procedure is called householding and is intended to reduce our printing and postage costs. If you would like to receive a separate copy of a proxy statement or annual report, either now or in the future, please contact us in writing at the following address: Attn: Investor Relations, 2000 McKinney Avenue, Suite 700, Dallas, Texas, 75201. If you hold your shares through a bank, broker or other nominee and would like to receive additional copies of the Notice and any other proxy materials, or if multiple copies of the Notice or other proxy materials are being delivered to your address and you would like to request householding, please contact your broker.

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## PROPOSALS FOR STOCKHOLDER ACTION

## Proposal 1 Election of Directors

Twelve (12) currently serving members of the board of directors have been nominated for re-election. Directors serve for a one-year term or until their successors are elected and qualified. All of the nominees below have indicated their willingness to continue to serve as a director if elected. However, if any of the nominees is unable or declines to serve for any reason, your proxy will be voted for the election of a substitute nominee selected by the board of directors.

## Nominees

At the Annual Meeting, the stockholders will elect twelve (12) directors. The board of directors recommends a vote FOR each of the director nominees set forth below:

Name	Age	Position
Larry L. Helm	68	Director; Chairman of the Board
C. Keith Cargill	63	Director; President and Chief Executive Officer
Peter B. Bartholow	67	Director; Chief Financial Officer and Chief Operating Officer
James H. Browning	66	Director
Preston M. Geren III	64	Director
Charles S. Hyle	65	Director
Elysia Holt Ragusa	65	Director
Steven P. Rosenberg	57	Director
Robert W. Stallings	66	Director
Dale W. Tremblay	57	Director
Ian J. Turpin	71	Director
Patricia A. Watson	50	Director

*Larry L. Helm* has been a director since January 2006 and was elected Chairman of the Board in May 2012. Most recently he served as the Executive Vice President of Corporate Affairs at Halcón Resources Corporation, a company engaged in the acquisition, exploration, development and production of oil and natural gas properties located in North America, a position he held from January 2013 until his retirement in March 2016. Previously, he served as Executive Vice President-Finance and Administration of Petrohawk Energy Corporation. Prior to joining Petrohawk in 2004, Mr. Helm spent 14 years with Bank One, most notably as Chairman and Chief Executive Officer of Bank One Dallas.

As a former banking executive, Mr. Helm has extensive knowledge about our industry. His executive roles in energy companies and experience managing energy and commercial lending groups give him important insights into the Company's lending activities and make him well qualified to serve as Chairman of our board of directors and a member of the Credit Risk Committee.

*C. Keith Cargill* has served as President and Chief Executive Officer ( CEO ) of the Company and as a member of the board of directors since January 1, 2014. He has served as CEO of the Bank since June 2013, after becoming President of the Bank in October 2008. He served as Chief Lending Officer of the Bank since its inception in December 1998 through July 2013. Mr. Cargill has more than 25 years of banking experience in the North Texas area.

Mr. Cargill has extensive knowledge of all aspects of our business and particularly its lending operations. He has served as a director of the Bank since October 2008. His many years of experience as a banker and his leadership in building our Company make him well qualified to serve as a director.



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*Peter B. Bartholow* has served as Chief Financial Officer ( CFO ) and as a director since October 2003 and as Chief Operating Officer ( COO ) since January 2014. Prior to joining us in 2003, he was managing director of a private equity firm, served as a financial executive with Electronic Data Systems Corp., and spent many years in the banking industry as an executive officer and member of the boards of both public and private companies.

As our CFO and COO, Mr. Bartholow has extensive knowledge of all aspects of our business. His previous business and financial experience as an executive officer and director of other public companies and banking organizations make him well qualified to serve as a director.

*James H. Browning* has served as a director since October 2009. He retired in 2009 as a partner at KPMG LLP, an international accounting firm, in Houston where he served companies in the energy, construction, manufacturing, distribution and commercial industries. He began his career at KPMG in 1971, becoming a partner in 1980. He most recently served as KPMG's Southwest Area Professional Practice Partner, and also served as an SEC Reviewing Partner and as Partner in Charge of the New Orleans audit practice. He also previously served as a director and member of the Audit Committee and the Technology and Reserves Committee for Endeavour International Corporation, a NYSE listed international oil and gas exploration and production company. He currently serves as Chairman of the board and Governance and Nominating Committee chair of RigNet Inc. and as a member of their Audit Committee and Compensation Committee.

As a former partner with KPMG with more than 38 years in public accounting, Mr. Browning has demonstrated leadership capability. His public accounting experience with various industries gives him a wealth of knowledge in dealing with financial and accounting matters, as well as extensive knowledge of the responsibilities of public company boards. Mr. Browning is highly qualified to serve as a director and the chairman of our Audit and Risk Committee, where he has been designated a financial expert. He also serves as a member of the Governance and Nominating Committee.

*Preston M. Geren III* has served as a director since July 2012. Mr. Geren is currently the President and CEO of the Sid W. Richardson Foundation, a position he has held since July 2011, and previously served as its Senior Advisor from April 2010 to July 2011. He served as an executive in the Department of Defense from 2001 to 2009, completing his service as Secretary of the Army under Presidents Bush and Obama. He served as a member of Congress representing the 12<sup>th</sup> Congressional District of Texas for four terms. Mr. Geren previously served as a director of Anadarko Petroleum Corp. Before entering public service Mr. Geren was an attorney and businessman in Fort Worth and served as a director of both privately and publicly held banking organizations.

Mr. Geren's experience and leadership in high government positions, as well as his banking experience, position him to provide us with a valuable perspective on a broad range of business and governmental issues affecting our Company and the businesses and entrepreneurs we serve. He is well suited to serve as a member of the Credit Risk Committee and the Bank's Trust Committee.

*Charles S. Hyle* joined the board of directors in October 2013. He served as Senior Executive Vice President and Chief Risk Officer of Key Corp. from June 2004 to his retirement in December 2012. He served as an executive with Barclays working in the U.S. and in London from 1980 to 2003, rising to serve as Managing Director and Global Head of Credit Portfolio Management Barclays Capital London.

Mr. Hyle has many years of experience in managing credit and operational risk for large banking and financial services organizations as a senior executive. This experience provides him with an understanding of the risks facing the Company and the Bank and the challenges they will face as they continue to grow and are required to comply with enhanced regulatory risk management requirements, which make him well qualified to serve as a director and the chairman of our Credit Risk Committee. He also serves as a member of the Audit and Risk Committee and has been designated as a financial expert.

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*Elysia Holt Ragusa* has served as a director since January 2010. She serves as an International Director of Jones Lang LaSalle, a position she has held since July 2008, and currently provides team leadership for the Central Texas market while also serving clients in Austin, San Antonio and Dallas/Fort Worth. From 1989 until 2008, she served as President and Chief Operating Officer of The Staubach Company, chaired Staubach's Executive and Operating Committees and was a member of its board of directors. Jones Lang LaSalle and The Staubach Company merged in 2008. She also serves as a director of Fossil Group, Inc., a maker of watches and other apparel and accessories, where she serves as a member of the Compensation Committee and chairs the Nominating and Corporate Governance Committee.

As an executive with extensive experience in all aspects of the commercial real estate business in Texas, Ms. Ragusa provides valuable insight for this important aspect of our business. This expertise, her demonstrated leadership capabilities and her public company board experience are valuable to the Company, and make her well qualified to serve as a director and chairman of our Governance and Nominating Committee. She also serves as a member of the Bank's Trust Committee.

*Steven P. Rosenberg* has served as a director since September 2001. He is President of SPR Ventures, Inc., a private investment company, a position he has held since June 1997, and President of SPR Packaging LLC, a manufacturer of flexible packaging for the food industry, a position he has held since May 2007. He currently serves on the board of directors of Cinemark Holdings, a leader in the motion picture exhibition industry, where he serves as chair of the Governance and Nominating Committee and is an Audit Committee member. He previously served as a board member of PRGX Global, a business analytics and information services firm, where he also served on the Human Resources Committee.

Mr. Rosenberg offers valuable experience and insight to the board of directors deriving from his background as an entrepreneur in a manufacturing business in Texas, as well as a director of other public companies. Mr. Rosenberg is a member of the Human Resources Committee and serves as the chairman of the Bank's Trust Committee.

*Robert W. Stallings* has served as a director since August 2001. He has served as Chairman of the board of directors and CEO of Stallings Capital Group, an investment company, since March 2001. He is currently Executive Chairman of the Board of Gainsco, Inc., a property and casualty insurance company, a position he has held since August 2001. Prior to joining Gainsco, he served as Chairman and CEO of an asset management company as well as a savings bank.

Mr. Stallings' experience in the banking and financial services industries provides extensive knowledge about our industry, which makes him highly qualified to serve as a director and member of the Credit Risk Committee.

*Dale W. Tremblay* has served as a director since May 2011. He is the President and CEO of C.H. Guenther and Son, Inc. (dba Pioneer Flour Mills), one of the oldest privately held corporations in the U.S., and serves as a member of its board of directors. He joined Guenther in 1998 as Executive Vice President and COO, and became President and CEO in April 2001. He has served as President for The Quaker Oats Company's worldwide foodservice division and currently serves on the Michigan State University School of Finance Advisory Board and the Business and Community Advisory Council of the Federal Reserve Bank of Dallas. He serves as a director of Clear Channel Outdoor Holdings Inc., one of the world's largest outdoor advertising companies, where he serves as a member of the Audit Committee and Intercompany Note Committee, and serves as chairman of the Compensation Committee. He also serves as a director of Nature Sweet Ltd.

Mr. Tremblay's leadership experience in both private and public companies brings valuable knowledge and insight to our board of directors and his service as chairman of our Human Resources Committee.



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*Ian J. Turpin* has been a director since May 2001. Since 1992, he has served as President and director of LBJ Family Wealth Advisors, Ltd. (formerly LBJ Asset Management Partners, Ltd. and The LBJ Holding Company, LP) and has managed various companies affiliated with the family of the late President of the United States, Lyndon B. Johnson, which have included radio, real estate and private equity investments and diversified investment portfolios.

Mr. Turpin's business experience in international banking and wealth management and in a variety of industries offers valuable insights to the board of directors. Mr. Turpin's background in public accounting also qualifies him as an Audit and Risk Committee financial expert, supporting his service as a member of the Audit and Risk Committee.

*Patricia A. Watson* has been a director since February 2016. She serves as the Senior Executive Vice President and Chief Information Officer of TSYS, a global payment solutions provider for financial and non-financial institutions. Prior to joining TSYS in September 2015 she served as Vice President and Global Chief Information Officer for The Brinks Company. Prior to joining Brinks she worked with Bank of America for more than 14 years in technology positions of increasing responsibility. She spent 10 years in the United States Air Force as executive staff officer, flight commander and director of operations.

Ms. Watson's expertise in information technology and security in the financial services and payments industries, as well as her strategic leadership skills, make her highly qualified to serve as a director and member of the Audit and Risk Committee. Ms. Watson was recommended for election to the board of directors by the Governance and Nominating Committee after a selection process in which the committee was assisted by an independent search firm having significant experience in director searches for companies in the financial services industry. The committee established specific criteria for this search based upon our Corporate Governance Guidelines and consideration of the requirements of the board at this time and interviewed several candidates.

The board of directors unanimously recommends that you vote **FOR** the election of each of the nominees.

### Proposal 2 Approval of Executive Compensation on an Advisory Basis

In accordance with the requirements of Rule 14a-21(a) under the Securities Exchange Act of 1934 (the Exchange Act), we are providing our stockholders with an advisory vote to approve executive compensation on an annual basis. An advisory vote at the Company's 2011 Annual Meeting of Stockholders confirmed that stockholders overwhelmingly favored an annual advisory vote on executive compensation.

We believe that our executive compensation programs effectively align the interests of our named executive officers, or NEOs, with those of our stockholders by creating a combination of incentive compensation arrangements, in both cash and equity-linked programs, which are directly linked to performance and creation of stockholder value, coupled with a competitive level of base compensation. The objective for the named executive officers is to have a substantial portion of total compensation derived from performance-based incentives. Advisory votes on executive compensation in 2013, 2014 and 2015 resulted in affirmative votes of 96.9%, 63.1%, and 96.7%, respectively.

The decrease in affirmative votes in 2014 resulted from Institutional Shareholder Services, Inc. (ISS) recommending that stockholders vote against our say-on-pay proposal in 2014, primarily because in 2013 the Company entered into an amended and restated executive employment agreement with Mr. Cargill upon his designation for succession as the Company's CEO that continued to include an excise tax gross-up provision applicable to change in control transactions. This provision had appeared in his employment agreement since 2008. In response to the decreased support in favor of executive compensation, the board of directors undertook a review of the gross-up and other governance issues identified by ISS in order to

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determine appropriate action in the best interests of the Company and its stockholders. The Company subsequently entered into amended and restated employment agreements with each of Mr. Cargill, Mr. Bartholow, Mr. Hudgens and Mr. Ackerson that removed the provisions allowing for an excise tax gross-up payment in certain change in control transactions and adopted policies against excise tax gross-ups and single trigger acceleration of rights to compensation in connection with any change in control transaction involving the Company.

Other governance policies adopted by the board of directors are described below at *Board and Committee Matters* *Corporate Governance*.

The board values stockholders' opinions, and, as in prior years, the board intends to evaluate the results of the 2016 vote when making future decisions regarding compensation of the named executive officers. We encourage you to carefully review the *Executive Compensation* section of this Proxy Statement and particularly the *Compensation Discussion and Analysis* for a detailed discussion of the Company's executive compensation programs.

This annual advisory vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the policies and practices with respect to their compensation described in this Proxy Statement. The vote is advisory and, therefore, not binding on the Company, the board of directors or the Human Resources Committee. This advisory vote may not be construed as overruling a decision by the board, nor create or imply any additional fiduciary duty of the board.

We are asking our stockholders to indicate their approval, on an advisory basis, for the 2015 compensation paid to our NEOs by voting FOR the following resolution:

RESOLVED, that the stockholders approve, on an advisory basis, the 2015 compensation of the Company's named executive officers, as disclosed in this Proxy Statement pursuant to SEC Regulation S-K, Item 402, including the Compensation Discussion and Analysis, the compensation tables and other narrative executive compensation disclosures included in this Proxy Statement.

The proposal to approve the advisory vote on executive compensation requires the affirmative vote of the holders of a majority of the outstanding shares of common stock present, in person or represented by proxy, and entitled to vote on the proposal at the Annual Meeting.

The board of directors unanimously recommends that you vote FOR approval of this resolution.

### Proposal 3 Ratification of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm

The Audit and Risk Committee has appointed Ernst & Young LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2016. The Company is seeking stockholder ratification of the appointment of Ernst & Young LLP for fiscal 2016. Stockholder ratification of the selection of the Company's independent registered public accounting firm is not required by the Company's bylaws, state law or otherwise. However, the board of directors is submitting the selection of Ernst & Young LLP to the Company's stockholders for ratification as a matter of good corporate governance. If the stockholders fail to ratify the selection, the Audit and Risk Committee will consider this information when determining whether to retain Ernst & Young LLP for future services. See the discussion at *Auditor Fees and Services* for information regarding the services provided to the Company by Ernst & Young LLP.

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The ratification of such appointment will require the affirmative vote of the holders of a majority of the outstanding shares of common stock present, in person or represented by proxy, and entitled to vote on the proposal at the Annual Meeting.

The board of directors unanimously recommends that you vote **FOR** the ratification of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2016.

**Other Matters**

The Company does not currently know of any other matters that may come before the Annual Meeting. However, if any other matters are properly presented at the Annual Meeting, the persons designated in the enclosed proxy will vote your proxy in their discretion on such matters.

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### BOARD AND COMMITTEE MATTERS

#### Board of Directors

The business affairs of the Company are managed under the direction of the board of directors. The board of directors meets on a regularly scheduled basis to review significant developments affecting the Company and to act on matters requiring approval by the board of directors. Special meetings of the board of directors are held as required from time to time when important matters arise that require action between scheduled meetings. The board of directors held six regularly scheduled meetings during 2015. Each of the Company's directors participated in at least 75% of the meetings of the board of directors and the committees of the board of directors on which the director served during 2015.

#### Corporate Governance

The board of directors is committed to providing sound governance for the Company. The board of directors has adopted Corporate Governance Guidelines (the Guidelines) and charters for each committee of the board of directors to provide a flexible framework of policies relating to the governance of the Company. These documents are available in the Governance Documents section of the Company's website at: <http://investors.texascapitalbank.com/govdocs>.

Among the policies addressed in the Guidelines are the following:

*Majority voting for directors.* Any nominee for election as a director who receives a greater number of withhold votes than votes for election in an uncontested election must deliver his or her resignation to the board of directors. The board of directors will determine whether to accept the resignation based upon the recommendation of the Governance and Nominating Committee and consideration of the circumstances. The Company will disclose the board's decision and the process by which it was reached.

*Retirement policy.* A director who reaches the age of 72 at or before the time of his or her re-election will not be eligible for election to the board of directors, subject to waiver of this requirement by unanimous vote of the remaining members of the board.

*Separation of Chairman and CEO duties.* The position of Chairman of the Board is to be held by an independent director.

*Limits on other board service.* No director may serve on more than four public company boards (including the Company's board of directors). The CEO and any other management director may serve on no more than one other public company board, and the Chairman of the Board may serve on no more than two other public company boards (one if serving as chairman).

*Board composition and independence.* No more than two members of management may be invited to serve on the board. A substantial majority of the board must qualify as independent under the relevant listing standards of the Nasdaq Stock Market and applicable rules of the SEC. All members of the board of directors other than Mr. Cargill and Mr. Bartholow qualify as independent under these standards.

*Term limits.* The board of directors does not believe it advisable to establish fixed term limits for directors. As an alternative to term limits, the board of directors seeks to assure that its members remain active, effective and independent contributors through ongoing performance evaluations, suitability reviews and continuing education as contemplated by the Guidelines.

*Review of significant responsibility changes.* Any director who retires from his or her principal employment, or who materially changes the responsibilities of his or her principal employment, must tender a letter of resignation to the board of directors. The board of directors will determine whether to accept the resignation based on the recommendation of the Governance and Nominating Committee after its review of the circumstances.



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*Director compensation.* Director compensation includes a substantial equity component representing approximately half of each director's annual compensation in order to align director interests with the long-term interests of stockholders.

*Director stock ownership.* The board of directors has established stock ownership guidelines for directors in order to further align their interests with the long-term interests of stockholders. Directors are expected to own common stock having a value of at least three times the cash portion of the annual retainer paid to outside directors, and may not dispose of any shares of the Company's common stock unless they own, and will continue to own, common stock with a value at or above that level.

*Executive pay governance and stock ownership.* As discussed in more detail below at *Executive Compensation Compensation Discussion and Analysis*, the Guidelines include policies addressing:

Executive stock ownership;

Elimination of excise tax gross-ups with respect to executive compensation received upon a change in control;

No single trigger payment or acceleration of benefits upon a change in control; and

Clawback of incentive compensation upon a restatement of the Company's financial statements.

*Access to independent advisors.* The board of directors and each committee may, as it deems necessary or appropriate, obtain advice and assistance from independent, outside financial, legal, accounting, human resources or other advisors, at the expense of the Company.

*Annual evaluation.* The board of directors and each committee conduct annual evaluations of their performance. The Governance and Nominating Committee assists the evaluation process and annually evaluates and recommends each candidate for election or re-election as a director in view of the needs and then-current make-up of the board of directors.

*Executive sessions of the board of directors and committees.* The non-management directors meet in regularly scheduled executive sessions of the board of directors and its committees without any management directors or other management present.

*Prohibition of poison pill.* Subject to the exercise of its fiduciary duties to the Company and its stockholders, the board of directors will not authorize the issuance of any of the Company's preferred stock for defensive or anti-takeover purposes without the prior approval of stockholders.

*Hedging of Company securities prohibited.* All Company directors, officers and employees are prohibited from purchasing any financial instrument that is designed to hedge or offset any decrease in market value of Company securities, and from participating in derivative or speculative transactions with respect to Company securities, including but not limited to prepaid variable forward contracts, collars, equity swaps, exchange funds, puts, calls and other derivative instruments. All directors, officers and employees are also prohibited from participating in short sales of the Company's securities.

*Pledging of Company securities prohibited.* Directors, officers who are reporting persons under Section 16 of the Exchange Act and such additional employees as may be designated by the Governance and Nominating Committee are prohibited from holding Company securities in a margin account or otherwise pledging Company securities as collateral for a loan.

Director Independence

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The board of directors has determined that each director other than Mr. Cargill and Mr. Bartholow qualifies as an independent director as defined in the Nasdaq Stock Market Listing Rules and as further defined by applicable statutes and regulations.

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### Board Leadership Structure and Risk Oversight

The CEO and Chairman positions are separated under the Company's board leadership structure. Larry L. Helm acts as the non-executive Chairman and C. Keith Cargill serves as the CEO. The board of directors determined that this is the most effective way for its leadership to be structured and believes this is a best practice for governance in its industry. The members of the Company's board of directors also serve as directors of the Bank in order to provide effective oversight of the Bank.

The board of directors is responsible for oversight of management and the business and affairs of the Company, including those relating to management of risk. The Audit and Risk Committee assists the board of directors in monitoring the effectiveness of the Company's identification and management of compliance risk, interest rate risk, liquidity risk, price risk, operational risk and financial reporting risk. The Credit Risk Committee oversees the Company's processes related to identification, management and reporting of credit risk exposures, the determination and adequacy of the allowance for loan and lease losses and the establishment and administration of the Company's credit policies. The Human Resources Committee reviews periodically the Company's human resources and compensation policies, practices and procedures to identify potential risks to the Company.

The Company maintains an executive Risk Management Committee ( RMC ) which operates under the direction of the Audit and Risk Committee. The Audit and Risk Committee has approved the RMC's charter and defined its scope of activities. The RMC is comprised of executives responsible for all major categories of risk within the Company and reports to the Audit and Risk Committee at least quarterly. The Audit and Risk Committee reports to the board of directors at least quarterly with respect to activities of the RMC.

### Committees of the Board of Directors and Meeting Attendance

The board of directors had four standing committees during 2015.

**Governance and Nominating Committee.** The Governance and Nominating Committee oversees the corporate governance policies for the Company and identifies, screens, recruits and recommends to the board of directors candidates to serve as directors. The Committee makes recommendations concerning the size and composition of the board of directors, considers any corporate governance issues that arise and develops appropriate recommendations, develops specific criteria for director independence and assesses the effectiveness of the board of directors. Governance and Nominating Committee members are Elysia Holt Ragusa (Chairman), James H. Browning and Frederick B. Hegi, Jr. Each member of the Committee is an independent director. The board of directors has adopted a charter for the Governance and Nominating Committee, which is available on the Company's website at [www.texascapitalbank.com](http://www.texascapitalbank.com). The Governance and Nominating Committee met seven times during 2015.

The Governance and Nominating Committee considers high professional ethics and values, relevant management experience and commitment to enhancing stockholder value when evaluating candidates for the Company's board of directors, utilizing a variety of methods. The Committee considers diversity when identifying nominees for director, looking primarily for diversity in professional experiences and skills, but also considering other dimensions of diversity, including gender and cultural background. This is done to ensure the board of directors is comprised of individuals who are able to contribute a variety of viewpoints, which the Committee believes is important in ensuring that the board exercises broad judgment and diligence. The Committee regularly assesses the size of the board of directors, whether any vacancies are expected due to retirement or otherwise, and the need for particular expertise on the board of directors. Candidates may come to the attention of the Committee from current directors, stockholders, professional search firms, officers or other persons. The Committee reviews all candidates in the same manner regardless of the source of the recommendation.



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Audit and Risk Committee. The Audit and Risk Committee oversees the Company's and the Bank's processes related to financial and regulatory reporting, risk identification and management, control and compliance. The Audit and Risk Committee als