

Allegiance Bancshares, Inc.  
Form DEF 14A  
March 15, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934 (Amendment No.        )

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

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 §240.14a-12

Allegiance Bancshares, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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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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March 15, 2019

Dear Fellow Shareholder:

On behalf of our board of directors, I invite you to attend the 2019 Annual Meeting of Shareholders to be held at The Houstonian Hotel at 111 North Post Oak Lane, Houston, Texas 77024 on Thursday, April 25, 2019, at 2:00 p.m., Central Time.

The purposes of the meeting are set forth in the accompanying Notice of Annual Meeting of Shareholders and Proxy Statement. Additionally, we will review our operating results for 2018 and discuss our thoughts on the year ahead.

Whether or not you plan to attend the meeting, it is important that your shares be represented. Please take a moment to complete, date, sign and return the enclosed proxy card as soon as possible, or use Internet or telephone voting according to the instructions on the proxy card. You may also attend and vote in person at the meeting.

We appreciate your continued support of our company and look forward to seeing you at the 2019 Annual Meeting.

Sincerely,

George Martinez  
Chairman of the Board and Chief Executive Officer

8847 West Sam Houston Parkway, N., Suite 200

Houston, Texas 77040

(281) 894-3200

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## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

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To the shareholders of Allegiance Bancshares, Inc.:

The 2019 Annual Meeting of Shareholders (the "annual meeting") of Allegiance Bancshares, Inc. (the "Company") will be held on Thursday, April 25, 2019, at 2:00 p.m., Central Time, at The Houstonian Hotel, 111 North Post Oak Lane, Houston, Texas 77024 for the following purposes:

1. To elect five (5) Class I directors, one (1) Class II director and one (1) Class III director to serve on the board of directors of the Company until the Company's 2022, 2020 and 2021 annual meeting of shareholders, respectively, and each until their respective successor or successors are duly elected and qualified or until their earlier resignation or removal;
2. To approve the Allegiance Bancshares, Inc. 2019 Amended and Restated Stock Awards and Incentive Plan;
3. To approve the Allegiance Bancshares, Inc. 2019 Amended and Restated Employee Stock Purchase Plan;
4. To ratify the appointment of Crowe LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2019; and
5. To transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

Only shareholders of record at the close of business on February 28, 2019, will be entitled to receive notice of and to vote at the annual meeting. For instructions on voting, please refer to the enclosed proxy card or voting information form. A list of shareholders entitled to vote at the annual meeting will be available for inspection by any shareholder at the principal office of the Company during ordinary business hours for a period of ten days prior to the annual meeting. This list also will be available to shareholders at the annual meeting.

In accordance with the "Notice and Access" rules adopted by the U.S. Securities and Exchange Commission, we have elected to provide our shareholders access to our proxy materials by posting such documents on the Internet. Accordingly, on March 15, 2019, an Important Notice Regarding the Availability of Proxy Materials ("notice of availability") was mailed to the holders of our common stock as of the close of business on the record date. Shareholders have the ability to access the proxy materials on the website referenced in the notice of availability, or to request that a printed set of proxy materials be sent to them, by following the instructions on the notice of availability.

### Your Vote is 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 in order to ensure the presence of a quorum. If you attend the meeting, you will have the right to revoke the proxy and vote your shares in person.

By Order of the Board of Directors,

George Martinez  
Chairman of the Board and Chief Executive Officer

Houston, Texas

March 15, 2019

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8847 West Sam Houston Parkway, N., Suite 200

Houston, Texas 77040

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PROXY STATEMENT FOR

2019 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 25, 2019

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Unless the context otherwise requires, references in this proxy statement to "we," "us," "our," "our company," the "Company" or "Allegiance" refer to Allegiance Bancshares, Inc., a Texas corporation, and its consolidated subsidiaries as a whole; references to the "Bank" refer to Allegiance Bank, a wholly-owned subsidiary of Allegiance Bancshares, Inc. In addition, unless the context otherwise requires, references to "shareholders" are to the holders of outstanding shares of our common stock, par value \$1.00 per share (the "common stock").

The board of directors of Allegiance Bancshares, Inc. (the "board") is soliciting proxies to be used at the 2019 annual meeting of shareholders of the Company to be held on Thursday, April 25, 2019 at 2:00 p.m., Central Time, at The Houstonian Hotel, 111 North Post Oak Lane, Houston, Texas, 77024 and any adjournments or postponements thereof (the "annual meeting"). This notice is first being sent to shareholders on or about March 15, 2019. You should read carefully the proxy materials in their entirety before voting.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2019 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON THURSDAY, APRIL 25, 2019.**

We are pleased to provide access to our proxy materials on the Internet. This Proxy Statement for the 2019 Annual Meeting of Shareholders and our 2018 Annual Report to Shareholders are available at our proxy materials website at [www.investorvote.com/ABTX](http://www.investorvote.com/ABTX). This website does not use any functions that identify you as a visitor to the website, and thus protects your privacy.

You have the option to vote and submit your proxy by the Internet. If you have Internet access, we encourage you to record your vote by the Internet. We believe it will be convenient for you, and it saves postage and processing costs. In addition, when you vote by the Internet, your vote is recorded immediately, and there is no risk that postal delays will cause your vote to arrive late and therefore not be counted. Submitting your proxy by Internet or telephone will not affect your right to vote in person if you decide to attend the annual meeting.

Pursuant to the rules promulgated by the Securities and Exchange Commission (the "SEC"), the Company is providing proxy materials to its shareholders on the Internet. You will not receive a printed copy of the proxy materials unless you specifically request to receive one. The Important Notice Regarding the Availability of Proxy Materials ("notice of availability") will instruct you as to how you may access and review all of the important information contained in the proxy materials. The notice of availability also instructs you as to how you may submit your proxy on the Internet. You may access the following information under the Investor Relations section of the Company's website at [www.allegiancebank.com](http://www.allegiancebank.com):



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- Notice of Annual Meeting of Shareholders to be held on Thursday, April 25, 2019;
  - Proxy Statement for 2019 Annual Meeting of Shareholders;
  - Form of Proxy; and
  - Annual Report on Form 10-K for the fiscal year ended December 31, 2018.
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## ABOUT THE ANNUAL MEETING

What is a proxy?

A proxy is another person that you legally designate to vote your shares of common stock. If you designate someone as your proxy in a written document, that document is also called a "proxy" or a "proxy card."

Why did I receive an "Important Notice Regarding the Availability of Proxy Materials" but no proxy materials?

We have chosen to distribute our proxy materials to shareholders via the Internet under the "Notice and Access" approach permitted by rules of the SEC. This approach conserves resources and reduces our distribution costs, while providing you a timely and convenient method of accessing the materials and voting. On or before March 15, 2019, we mailed a notice of availability to shareholders, containing instructions on how to access the proxy materials on the Internet and to vote your shares over the Internet or by telephone. You will not receive a printed copy of the proxy materials unless you request one. If you would like to receive a printed copy of our proxy materials, including a printed proxy card on which you may submit your vote by mail, then you should follow the instructions for obtaining a printed copy of our proxy materials contained in the notice of availability.

When and where will the annual meeting be held?

The annual meeting is scheduled to take place at 2:00 p.m., Central Time, on Thursday, April 25, 2019, at The Houstonian Hotel, 111 North Post Oak Lane, Houston, Texas 77024.

What is the purpose of the annual meeting?

At the 2019 annual meeting, shareholders will act upon the matters outlined in the notice, including the following:

1. To elect five (5) Class I directors, one (1) Class II director and one (1) Class III director to serve on the board of directors of the Company until the Company's 2022, 2020 and 2021 annual meeting of shareholders, respectively, and each until their respective successor or successors are duly elected and qualified or until their earlier resignation or removal;
2. To approve the Allegiance Bancshares, Inc. 2019 Amended and Restated Stock Awards and Incentive Plan;
3. To approve the Allegiance Bancshares, Inc. 2019 Amended and Restated Employee Stock Purchase Plan;
4. To ratify the appointment of Crowe LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2019; and
5. To transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

Who are the nominees for directors?

The following six persons, all of whom are current directors of the Company, have been nominated for election as directors of the Company in the class indicated:

Class I: John Beckworth      Class II: Robert E. McKee III      Class III: Louis A. Waters Jr.  
Matthew H. Hartzell  
Umesh (Mike) Jain  
Frances H. Jeter  
Roland L. Williams

Who is entitled to vote at the annual meeting?

The holders of record of the outstanding shares of common stock on February 28, 2019, which is the date that the board has fixed as the record date for the annual meeting (the "record date"), are entitled to vote at the annual meeting. The record date is established by the board as required by the Company's bylaws and Texas law. On the record date, 21,561,372 shares of common stock were outstanding.

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## How do I vote?

You may vote using any of the following methods:

**By Internet:** You can vote over the internet at [www.investorvote.com/ABTX](http://www.investorvote.com/ABTX) by following the instructions in the notice of availability or on the proxy card.

**By Telephone:** You can vote over the telephone by following the instructions in the notice of availability or on the proxy card.

**By Mail:** If you have requested or received a proxy or voting instruction card by mail, you can vote by completing, signing and dating the accompanying proxy or voting instruction card and returning it in the prepaid envelope. If you are a shareholder of record and return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by your proxy card as recommended by our board.

**At the Annual Meeting:** Shareholders who attend the annual meeting may vote in person at the annual meeting. You may also be represented by another person at the meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the annual meeting.

The Company must receive your vote no later than the time the polls close for voting at the annual meeting for your vote to be counted at the annual meeting. Please note that Internet voting will close at 1:00 a.m., Central Time, on April 25, 2019.

Voting your shares by proxy will enable your shares of common stock to be represented and voted at the annual meeting if you do not attend the annual meeting and vote your shares in person. By following the voting instructions in the materials you receive, you will direct the designated persons (known as "proxies") to vote your common stock at the annual meeting in accordance with your instructions. The board has appointed George Martinez and Steve Retzliff to serve as the proxies for the annual meeting. If you vote by Internet or telephone, you do not have to return your proxy or voting instruction card.

If your shares of common stock are held in "street name," your ability to vote over the Internet depends on your broker's voting process. When your shares are held in a brokerage account or by a bank or other nominee, the nominee is considered the record holder of those shares. You are considered the beneficial owner of these shares, and your shares are held in "street name." The notice of availability has been provided to you by your broker, bank or other holder of record. As the beneficial owner, you have the right to direct your nominee concerning how to vote your shares by using the voting instruction card or by following its instructions for voting by telephone or on the Internet.

To vote the shares that you hold in "street name" in person at the annual meeting, you must bring a legal proxy from your broker, bank or other nominee, (1) confirming that you were the beneficial owner of those shares as of the close of the record date, (2) stating the number of shares of which you were the beneficial owner that were held for your benefit at that time by that broker, bank or other nominee and (3) appointing you as the record holder's proxy to vote the shares covered by that proxy at the annual meeting.

Can I vote my shares by filling out and returning the notice of availability?

No. The notice of availability will, however, provide instructions on how to vote over the telephone or Internet, or by requesting and returning a signed paper proxy card or voting instruction card, as applicable, or submitting a ballot at the annual meeting.

What are the voting rights of the shareholders?

The holders of at least a majority of the outstanding shares of common stock on the record date must be represented at the annual meeting, in person or by proxy, in order to constitute a quorum for the transaction of business. Each record holder of shares of common stock is entitled to one vote for each share of common stock registered, on the record date, in such holder's name on the books of the Company on all matters to be acted upon at the annual meeting. The Company's certificate of formation prohibits cumulative voting.

What is a broker non-vote?

A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. Your broker has discretionary authority to vote your shares with respect to the ratification of the appointment of Crowe LLP as our independent registered public accounting firm (Proposal 4). In the absence of specific instructions from you, your broker does not

have discretionary authority to vote your shares with respect to the election of directors to the board (Proposal 1), the approval of the Stock Awards and Incentive Plan (Proposal 2) or the approval of the Employee Stock Purchase Plan (Proposal 3).

Who counts the votes?

All votes will be tabulated by the inspector of election appointed for the annual meeting. Votes for each proposal will be tabulated separately.

What are the board's recommendations on how I should vote my shares?

The board recommends that you vote your shares as follows:

Proposal 1 – FOR the election of each nominee for director.

Proposal 2 – FOR the approval of the Stock Awards and Incentive Plan.

Proposal 3 – FOR the approval of the Employee Stock Purchase Plan.

Proposal 4 – FOR the ratification of the appointment of Crowe LLP.

How will my shares be voted if I return a signed and dated proxy card, but don't specify how my shares will be voted?

If you are a "street name" holder and do not provide voting instructions on one or more proposals, your bank, broker or other nominee will be unable to vote those shares in the election of directors (Proposal 1), the approval of the Stock Awards and Incentive Plan (Proposal 2) and the approval of the Employee Stock Purchase Plan (Proposal 3), but will have discretion to vote on the ratification of the appointment of Crowe LLP (Proposal 4).

If you are a record holder who returns a completed proxy card that does not specify how you want to vote your shares on one or more proposals, the proxies will vote your shares for each proposal as to which you provide no voting instructions, and such shares will be voted in accordance with the board's recommendations.

What are my choices when voting?

In the election of directors, you may vote for all director nominees or you may withhold your vote as to one or more director nominees. With respect to the proposals to approve the Stock Awards and Incentive Plan, to approve the Employee Stock Purchase Plan and to ratify the appointment of Crowe LLP, you may vote for the proposal, against the proposal or abstain from voting on the proposal.

May I change my vote after I have submitted my proxy card?

Yes. Regardless of the method used to cast a vote, if you are a record holder, you may change your vote by:

- delivering to the Company prior to the annual meeting a written notice of revocation addressed to: Allegiance Bancshares, Inc., 8847 West Sam Houston Parkway, N., Suite 200, Houston, Texas 77040, Attn: Shanna Kuzdzal;
- delivering a valid, later-dated proxy, or a later-dated vote by telephone or on the Internet, in a timely manner;
- logging onto the Internet website specified on your notice of availability, proxy card or voting instruction card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card or voting instruction card, in each case if you are eligible to do so and following the instructions indicated

on the notice of availability, proxy card or voting instruction card; or  
attending the annual meeting and voting in person, and any earlier proxy will be revoked. However, simply attending the annual meeting without voting will not revoke your proxy.

If your shares are held in "street name" and you desire to change any voting instructions you have previously given to the record holder of the shares of which you are the beneficial owner, you should contact the broker, bank or other nominee holding your shares in "street name" in order to direct a change in the manner your shares will be voted.

What percentage of the vote is required to approve each proposal?

Assuming the presence of a quorum, the five Class I director nominees, the one Class II director nominee and the one Class III director nominee who receive the most votes from the holders of the outstanding shares of common stock for their election will be

elected—i.e., the affirmative vote of the holders of a plurality of the votes cast at the annual meeting is required for the election of the director nominees (Proposal 1).

Assuming the presence of a quorum, the approval of the Stock Awards and Incentive Plan (Proposal 2), the approval of the Employee Stock Purchase Plan (Proposal 3) and the ratification of Crowe LLP's appointment as the Company's independent registered public accounting firm (Proposal 4) each requires the affirmative vote of the holders of a majority of the votes cast at the annual meeting.

How are broker non-votes and abstentions treated?

Broker non-votes and abstentions are counted for purposes of determining the presence or absence of a quorum. A broker non-vote or a withholding of authority to vote with respect to one or more nominees for director will not have the effect of a vote against such nominee or nominees. However, broker non-votes on the approval of the Stock Awards and Incentive Plan and the approval of the Employee Stock Purchase Plan will be deemed shares not present to vote on such matter, will not count as votes for or against such matter and will not be included in calculating the number of votes necessary for approval of such matter. Because the ratification of the appointment of the independent registered public accounting firm is considered a routine matter and a broker or other nominee may generally vote on routine matters, no broker non-votes are expected to occur in connection with the proposal to ratify the appointment of Crowe LLP as the Company's independent registered accounting firm. Any abstentions will have the effect of a vote against the proposal to ratify the appointment of Crowe LLP as the Company's independent registered public accounting firm.

What are the solicitation expenses and who pays the cost of this proxy solicitation?

The board is asking for your proxy, and we will pay all of the costs of soliciting shareholder proxies. In addition to the solicitation of proxies via mail, our officers, directors and employees may solicit proxies personally or by other means of communication, without being paid additional compensation for such services. The Company will reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding the proxy materials to beneficial owners of common stock.

Are there any other matters to be acted upon at the annual meeting?

Management does not intend to present any business at the annual meeting for a vote other than the matters set forth in the notice, and management has no information that others will do so. The proxy also confers on the proxies the discretionary authority to vote with respect to any matter properly presented at the annual meeting. If other matters requiring a vote of the shareholders properly come before the annual meeting, it is the intention of the persons named in the accompanying form of proxy to vote the shares represented by the proxies held by them in accordance with applicable law and their judgment on such matters.

Where can I find voting results?

The Company will publish the voting results in a current report on Form 8-K, which will be filed with the SEC within four business days following the annual meeting.

How can I communicate with the board?

To communicate with the board, shareholders or other interested parties should submit their comments by sending written correspondence via mail or courier to Allegiance Bancshares, Inc., 8847 West Sam Houston Parkway, N., Suite 200, Houston, Texas 77040, Attn: Shanna Kuzdzal; or via email at [ir@allegiancebank.com](mailto:ir@allegiancebank.com). Communications



will be sent directly to the specific director or directors of the Company indicated in the communication or to all members of the board if not specified.

## PROPOSAL 1. ELECTION OF DIRECTORS

### Classification of the Company's Directors

In accordance with the terms of the Company's certificate of formation, the Company's board is divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms as follows:

• The Class I directors are Matthew H. Hartzell, Umesh (Mike) Jain, James J. Kearney, P. Michael Mann, M.D. and Roland L. Williams and their terms will expire at the 2019 annual meeting.

- The Class II directors are John Beckworth, Robert Ivany, Frances H. Jeter, George Martinez, Robert E. McKee III, David B. Moulton and Thomas A. Reiser, and, with the exception of Mr. McKee, their terms will expire at the annual meeting of shareholders to be held in 2020. Mr. McKee was appointed to the board in October 2018 and, since our bylaws provide that an appointed director may serve only until the next election of directors by shareholders, has been nominated for election as a Class II director at the annual meeting.

• The Class III directors are William S. Nichols III, Steven F. Retzloff, Raimundo Riojas E., Fred S. Robertson, Ramon A. Vitulli III, and Louis A. Waters Jr. and, with the exception of Mr. Waters, their terms will expire at the annual meeting of shareholders to be held in 2021. Mr. Waters was appointed to the board in October 2018 and, since our bylaws provide that an appointed director may serve only until the next election of directors by shareholders, has been nominated for election as a Class III director at the annual meeting.

### Election Procedures; Term of Office

The Corporate Governance and Nominating Committee has recommended to the board, and the board has approved, the nomination of Robert E. McKee III as a Class II director; Louis A. Waters Jr. as a Class III director; and Matthew H. Hartzell, Umesh (Mike) Jain and Roland L. Williams to fill three of the five expiring Class I director positions. Neither James J. Kearney nor P. Michael Mann, M.D. will stand for re-election at the annual meeting, and the Corporate Governance and Nominating Committee has recommended to the board, and the board has approved, the nomination of John Beckworth and Frances H. Jeter to fill the vacancies. Messrs. Hartzell, Jain and Williams each are currently serving as Class I directors. Mr. Beckworth and Ms. Jeter are each currently serving as Class II directors and have agreed to resign as Class II directors upon election as Class I directors.

The five Class I nominees, if elected at the annual meeting, will serve until the annual meeting of shareholders in 2022. The Class II nominee, if elected at the annual meeting, will serve until the annual meeting of shareholders in 2020. The Class III nominee, if elected at the annual meeting, will serve until the annual meeting of shareholders in 2021. Upon recommendation by the Corporate Governance and Nominating Committee, the board decided to reduce the size of the board by one from 18 to 17 at the conclusion of the annual meeting. Accordingly, if the five Class I director nominees, the Class II director nominee and the Class III director nominee are elected at the annual meeting, the composition of the board of directors will be five Class I directors, six Class II directors (with one vacancy) and six Class III directors.

The affirmative vote of a plurality of the votes cast at an annual meeting at which a quorum is present is required for the election of each of the nominees for director. This means that the five Class I director nominees, the Class II director nominee and the Class III director nominee who receive the most votes from the holders of the outstanding shares of common stock for their election at this year's annual meeting will be elected.

Unless the authority to vote for the election of directors is withheld as to one or more of the nominees, all shares of common stock represented by proxy will be voted FOR the election of the nominees. If the authority to vote for the election of directors is withheld as to one or more but not all of the nominees, all shares of common stock represented by any such proxy will be voted FOR the election of the nominee or nominees, as the case may be, as to whom such

authority is not withheld.

If a nominee becomes unavailable to serve as a director for any reason before the election, the shares represented by proxy will be voted for such other person, if any, as may be designated by the board. The board has no reason to believe that any nominee will be unavailable to serve as a director. All of the nominees have consented to being named herein and to serve if elected.

## Nominees for Election

The following table sets forth certain information with respect to the Company's Class I, Class II and Class III director nominees. The business address for all of these individuals is 8847 West Sam Houston Parkway N., Suite 200, Houston, Texas 77040:

Name	Age	Position with the Company and the Bank	Director Since
John Beckworth	61	Class I Director Nominee; Class II Director of the Company	2009
Matthew H. Hartzell	60	Class I Director of the Company; Director of the Bank	2013
Umesh (Mike) Jain	62	Class I Director of the Company; Director of the Bank	2016
Frances H. Jeter	62	Class I Director Nominee; Class II Director of the Company	2014
Roland L. Williams	68	Class I Director of the Company; Executive Vice Chairman of the Bank	2018
Robert E. McKee III	72	Class II Director of the Company	2018
Louis A. Waters Jr.	52	Class III Director of the Company	2018

The following is a brief discussion of the business and banking background and experience of our director nominees.

**John Beckworth.** John Beckworth has served on our board since 2009. Mr. Beckworth practiced law in Houston for thirty years from 1983 until 2013. He was an associate and partner at Fulbright & Jaworski LLP before leaving to start his own law firm in 1994. In 2013, Mr. Beckworth left his full-time law practice in Houston to become an Associate Dean at The University of Texas School of Law in Austin. In 2018, Mr. Beckworth stepped down from his associate dean position and continues to work in the law school at present as a lecturer. Also in 2018, Mr. Beckworth became affiliated as "of counsel" at Jackson Walker, LLP in Austin. He has served as a trustee of The University of Texas Law School Foundation, and he is a former President and Chairman of the Board of The University of Texas Ex Students Association. He is a member of the Texas and American Bar Associations. He is a past Chairman of the Board of Trustees of the Kinkaid School in Houston, and he is a current director of the Texas Cultural Trust and the LBJ Foundation. Mr. Beckworth also operates family ranching, oil and gas and investment interests. Mr. Beckworth received Bachelor of Arts and Juris Doctor degrees from The University of Texas at Austin and The University of Texas School of Law. In 2017, Mr. Beckworth became a National Association of Corporate Directors ("NACD") board leadership fellow. As an experienced attorney and administrator, Mr. Beckworth provides service to the board and management as Chairman of the Corporate Governance and Nominating Committee and as a member of the Compensation Committee.

**Matthew H. Hartzell.** Matthew H. Hartzell has served on our board since our acquisition of Independence Bank in 2013. Prior to the acquisition, Mr. Hartzell served Independence Bank as the Vice Chairman of the Board, as the Chair of both the IT Committee and the Compensation Committee, and as a member of the Executive Committee, having served on that Board over ten years. Mr. Hartzell currently serves as Chief Administrative Officer of N.F. Smith & Associates, L.P., an independent distributor of computer hardware components, and previously served as their Chief Operating Officer. For the past 20 years, he has also served as General Counsel of Valid Management, LLC, one of the holdings in N.F. Smith's diversified portfolio of technology businesses. Prior to joining Valid Management, Mr. Hartzell was a commercial lawyer with Hirsch & Westheimer, P.C., for more than a decade. Since 2010, he served as a member of the SAE G-19 Committee, a committee dedicated to promulgating standards for the mitigation of counterfeit parts in electronic part purchasing. Mr. Hartzell served many years on the board of the Woodlands Heights Civic Association. He received a Bachelor of Arts degree from St. John's College, Annapolis, Maryland and a Juris Doctor degree from the University of Houston. Mr. Hartzell's extensive legal experience and business skills qualify him to serve on our board. Mr. Hartzell understands computer technology and applications, which enables him to

provide valuable insight and guidance as the Chairman of the Bank's Information Technology Committee. Given the existence of cyber-security risks in the industry, his IT and general business skillsets also make him a valued member of the Enterprise Risk Management Committee.

Umesh (Mike) Jain. Umesh 'Mike' Jain was elected to serve on our board in February 2016. Mr. Jain has been a Certified Public Accountant in Houston since 1982. Mr. Jain founded Jain and Jain, P.C., Accountants and Tax Consultants in 1986, which provides assurance and tax services primarily for privately held businesses with revenues up to \$150 million. Mr. Jain also founded Pi Capital Partners, LLC, a private equity firm. Mr. Jain served as a Director of Horizon Capital Bank from 2002 to 2005, which was acquired by Frost Bank in 2005. In addition, Mr. Jain served as a Director of Bank of Houston from March 2006 until it was acquired by Independent Bank in April 2014. While with Bank of Houston, Mr. Jain served as Chairman of the Audit Committee and as a member of its Loan, Merger and Acquisition, Governance and Compensation Committees. Mr. Jain is a member of the Lieutenant Governor's Advisory Board and was appointed in October 2017 to the Texas Office of Small Business Assistance Advisory Task Force. Mr. Jain was a Board member of the University of St. Thomas and served as the Chairman of the Audit Committee. Upon his addition to the board, Mr. Jain became an active and valuable member of the Audit Committee through his extensive experience as a Certified Public Accountant and previous audit committee experience.

Frances H. Jeter. Frances H. Jeter has served on our board since 2014. She has more than 25 years of experience in marketing, public affairs and business and nonprofit management. Ms. Jeter is a Managing Director and head of the Houston office for Sard Verbinnen & Co., a strategic communications firm. Ms. Jeter previously served as Group Vice President of Internal and External Affairs for Spectra Energy. Before joining Spectra Energy, Ms. Jeter served as Chief Marketing Officer for Bracewell & Giuliani LLP and served as Vice President of Public Affairs for Duke Energy Gas Transmission, a predecessor company of Spectra Energy. She is a

Life Trustee and a past Chair of the Board of Trustees of the Kinkaid School in Houston and a former Trustee of The Hockaday School in Dallas. She is the founding Chair of Houston's The Fay School and is also a former member of the Board of Directors of the Greater Houston Community Foundation and St. Luke's Episcopal Health Charities, among several other non-profit organizations. Ms. Jeter received a Bachelor of Arts degree from the University of North Carolina at Chapel Hill. Her extensive experience in the public company arena is leveraged to assist the organization in all areas of marketing and public relations. Her attention to detail and working knowledge of corporate and board governance matters are well-suited to her participation on the Corporate Governance and Nominating Committee.

**Roland L. Williams.** Roland L. Williams joined our board in October 2018 in connection with our acquisition of Post Oak Bancshares, Inc., where he was the Chairman, President and Chief Executive Officer of both Post Oak Bancshares, Inc. and Post Oak Bank, N.A. He currently serves as Executive Vice Chairman of Allegiance Bank. Mr. Williams was a founding member of Post Oak Bank and has over 40 years of banking experience. Prior to founding Post Oak Bank, Mr. Williams served as Chairman, President and Chief Executive Officer of Langham Creek National Bank and Market Chief Executive Officer of SouthTrust Bank. In addition, Mr. Williams previously served as a member of the Federal Reserve Bank of Dallas Community Depository Institutions Advisory Council and a board member for the Texas Bankers Association. Mr. Williams has also served as an advisory board member and board member of Outreach Center of West Houston and on the Bauer College of Business Banking Certificate Board Committee at the University of Houston. Mr. Williams received a Bachelor of Science degree in business administration from McNeese State University in Lake Charles, Louisiana, and graduated from the Southwestern Graduate School of Banking at Southern Methodist University. Mr. Williams' extensive business experience in the community banking industry qualifies him to serve on our board.

**Robert E. McKee III.** Robert E. McKee III joined our board in October 2018 in connection with our acquisition of Post Oak Bancshares, Inc., where he was a director of both Post Oak Bancshares, Inc. and Post Oak Bank, N.A. since 2004. He is also a director of Bluecrest Energy Inc., an advisory director of Kodiak Services, LLC and serves on the Colorado School of Mines Foundation Board of Governors. Mr. McKee is now retired, but had a 37-year career at ConocoPhillips and Conoco, Inc., including over ten years as Executive Vice President, Exploration and Production. He was the senior oil advisor to the Coalition Provisional Authority and the Iraqi Oil Ministry in Iraq to manage the rebuilding of its oil industry from September 2003 to March 2004. Mr. McKee previously served as a director of Questar Inc., QEP Resources Corporation and Parker Drilling. Mr. McKee received a Bachelor of Science degree in petroleum engineering from the Colorado School of Mines and a Master of Science degree in industrial management from the Sloan Business School at Massachusetts Institute of Technology. Mr. McKee's prior experience as a director of a Houston-based community bank, his service to other public company boards and committees and his many years in executive positions at a Fortune 100 company qualify him to serve on our board.

**Louis A. Waters Jr.** Louis A. Waters Jr. joined our board in October 2018 in connection with our acquisition of Post Oak Bancshares, Inc., where he was a director of both Post Oak Bancshares, Inc. and Post Oak Bank, N.A. since 2005. Mr. Waters currently serves as President of Waters Group Houston, a private investment company that he founded in 1990; President of FloodBreak Automatic Floodgates, a manufacturer of flood protection systems for commercial and residential applications that he founded in 2001; and Chairman of PV Rentals. Leasing and Sales, a provider of specialty automobile, van and truck rentals in the Greater Houston area, since 2011. Mr. Waters currently serves as a director of Edgeworth Construction Products LLC, as well as Bandera Corridor Conservation Bank, and has previously successfully built and sold several other operating companies. Mr. Waters received a Bachelor of Science in mechanical engineering from Rice University and a Master of Business Administration from INSEAD. The entrepreneurial, small business and banking experience that Mr. Waters brings to our organization qualify him to serve on our board.

THE BOARD RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES LISTED ABOVE FOR ELECTION TO THE BOARD.

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## CONTINUING DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information with respect to the Company's Class I and Class II directors whose terms of office do not expire at the annual meeting, and the executive officers of the Company who are not also a director. The business address for all of these individuals is 8847 West Sam Houston Parkway N., Suite 200, Houston, Texas 77040.

Name	Age	Position with the Company and the Bank
Directors:		
Robert Ivany	72	Class II Director of the Company
George Martinez	77	Class II Director, Chairman of the Board and Chief Executive Officer of the Company; Director and Chief Executive Officer of the Bank
David B. Moulton	79	Class II Director of the Company; Director of the Bank
William S. Nichols III	67	Class III Director of the Company, Director of the Bank
Thomas A. Reiser	67	Class II Director of the Company
Steven F. Retzloff	62	Class III Director and President of the Company; Director and Chairman of the Board of the Bank
Raimundo Riojas E.	78	Class III Director of the Company
Fred S. Robertson	69	Class III Director of the Company; Director of the Bank
Ramon A. Vitulli III	50	Class III Director and Executive Vice President of the Company; Director, President and Chief Operating Officer of the Bank
Executive officers who are not also directors:		
Okan I. Akin	48	Executive Vice President and Chief Risk Officer of the Company and the Bank; Director of the Bank
Daryl D. Bohls	67	Executive Vice President of the Company; Director, Executive Vice President and Chief Credit Officer of the Bank
Paul P. Egge	40	Executive Vice President and Chief Financial Officer of the Company and the Bank
Shanna Kuzdzal	39	Executive Vice President, General Counsel and Secretary of the Company and the Bank

The following is a brief discussion of the business and banking background and experience of our continuing directors and executive officers. All officers of the Company are elected by the board and serve at the discretion of the board.

Robert Ivany. Robert Ivany joined our board in July 2017. Dr. Ivany recently retired as President of the University of St. Thomas, a position he held since 2004 and now serves as President Emeritus. Prior to his tenure, Dr. Ivany served as an adjunct professor in Executive Education at the Graduate School of Business at Columbia University. Dr. Ivany's background also includes a distinguished career in the military culminating in the rank of Major General, service as the Army Aide to President Reagan and Commandant of the U.S. Army War College. Dr. Ivany sits on the board of the Duchesne Academy of the Sacred Heart. He also served on the Mutual of America Capital Management Corporation Board of Directors from 2004 to 2009. He earned a Bachelor of Science degree from the U.S. Military Academy and a Ph.D. from the University of Wisconsin in Madison in European History. Dr. Ivany presently teaches leadership to executives as a faculty member with the Thayer Leader Development Group at West Point. His leadership ability and experience working with the younger generation, as well as his involvement with Houston philanthropic and veterans organizations, qualify him to serve on our board.



George Martinez. George Martinez is one of the organizers of the Bank and has been the Chairman of our board and our Chief Executive Officer since 2008 and Chief Executive Officer of the Bank since 2007. Mr. Martinez began his banking career in 1974 as the co-founder of Sterling Bank, where he served as an Executive Vice President from 1974 to 1980, and then as Chief Executive Officer of Sterling Bancshares, Inc. a publicly traded multi-billion dollar financial institution, from 1980-2001 and as Chairman from 1992-2004. From 1998 to 2008, Mr. Martinez served as President of Chrysalis Partners, LLC, an executive leadership consulting firm. He currently serves on the Board of Directors of NCI Building Systems, Inc. (NCS:NYSE), Landmark Worldwide Enterprises, Inc. and the University of St. Thomas. Mr. Martinez received a Bachelor of Business Administration and Economics degree from Rice University. With over 50 years of business experience, Mr. Martinez's significant leadership skills and extensive experience in community banking qualify him to serve on our board and as our Chairman.

David B. Moulton. David B. Moulton has served on our board since 2008 and the board of the Bank since 2007. Mr. Moulton is a retired banker. He began his career in banking in 1969 with Texas Commerce Bank. He was the Chairman and CEO of National Commerce Bank from 1986 to 1995, when it was acquired by Frost Bank. He was the Chairman and CEO of Alameda Bancshares, Inc. from 1996 to 1999, when it was acquired by Sterling Bancshares, Inc., and he served as a director of Sterling Bancshares until 2004. Mr. Moulton attended the University of Georgia and the Southwestern Graduate School of Banking at Southern Methodist University. Mr. Moulton's extensive business experience, particularly in the community banking industry, qualifies him to serve on our board. He

understands community banking, and particularly the Houston market, and he serves the Bank well through his role on the Asset Quality Committee and as a director of Allegiance Bank. His skills and experience are also valuable to his other director roles as a member of the Bank's Asset Quality Committee, a member of the Corporate Governance and Nominating Committee member and Chairperson of the Compensation Committee.

William S. Nichols III. William (Nick) S. Nichols is one of the organizers of the Bank and has served on our board since 2008 and the board of the Bank since 2007. Mr. Nichols retired in 2017 as the President of Suncor Companies, LLC, a real estate development company that primarily focuses on the development of freestanding retail facilities throughout the United States. From 1974 to 1984, he worked as an audit principal at Ernst & Young. He has held numerous board appointments, including advisory director at Community Bank, Katy, Texas. Additionally, he is the founder and director of the Nichols Foundation, a foundation to provide college scholarships to students on a need basis. He also serves on the development council of the Mays Business School at Texas A&M University. Mr. Nichols is a Certified Public Accountant and is a member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants. He received a Bachelor of Business Administration degree from Texas A&M University. Mr. Nichols' understanding of the Houston business market and leadership experience qualify him to serve on our board. Mr. Nichols makes good use of both his experience in the real estate industry and as a CPA as he contributes by serving as a director of the Bank. He also provides informed guidance as a member of the Compensation Committee and as the Chairman of the Audit Committee.

Thomas A. Reiser. Thomas A. Reiser is one of the organizers of the Bank and has served on our board since 2008 and the board of the Bank from 2007 to 2009. Mr. Reiser has over 40 years of business experience. He is presently the Chairman and Chief Executive Officer of Upstream Insurance Brokers. He has over 25 years of board membership experience, including from 1994 to 2006 when he served as a Director of Sterling Bancshares, Inc., and was appointed by Governor Abbott to serve on the Board of Directors of the Coastal Water Authority. Mr. Reiser has served on numerous board committees, including audit, enterprise risk management and IT committees. Mr. Reiser received a Bachelor of Arts degree from The College of William and Mary. Mr. Reiser's extensive business experience in the community banking industry qualifies him to serve on our board. Mr. Reiser is able to directly contribute through his role as Chairman of the Enterprise Risk Management Committee given his long exposure to banking and as an insurance executive. He also contributes his knowledge and experience as a member of the Audit Committee.

Steven F. Retzloff. Steven F. Retzloff is one of the organizers of the Bank and has been our President since 2008 and Chairman of the Bank since 2007. Mr. Retzloff has over 35 years of business experience and 30 years of Houston Banking experience. Mr. Retzloff served as a director of Sterling Bancshares, Inc., a publicly traded multi-billion dollar financial institution, and Sterling Bank from 1987 to 2006, including terms as Chairman of the board of Sterling Bancshares from 1990 to 1992 and from 2004 to 2005. He is currently Chairman and Chief Executive Officer of Retzloff Industries, Inc. and is an advisory director to Pharos Capital Partners III. Prior to co-founding Allegiance Bank, Mr. Retzloff owned and managed Travis Body & Trailer, Inc., a nationwide manufacturer of specialized truck trailers. His past work experience also includes General Motors, Bristol Myers and Retzloff Capital Corporation. Mr. Retzloff received an Industrial Engineering degree from The Georgia Institute of Technology and a Master of Business Administration degree (with distinction) from the Babcock Graduate School of Management at Wake Forest University. Mr. Retzloff currently serves as a director of the Independent Bankers Association of Texas, Faith in Practice and The Open Door Mission, and is a member of the advisory board for Fuller Texas School of Theology. He is also a Vice President of the Kinkaid School Investments Foundation, trustee of Pines Presbyterian Church and previously served on the advisory board for the Mays School Banking Program at Texas A&M University. Mr. Retzloff's significant experience as a director and officer of community banks and his extensive leadership skills qualify him to serve on our board.

Raimundo Riojas E. Raimundo Riojas has served on our board since 2012. Mr. Riojas is the President of Duwest, Inc., which is engaged in the production and distribution of crop protection products and the manufacture of industrial and

automotive coatings. Mr. Riojas presently manages a group of companies in Central America, Colombia and the Caribbean. From 1994 to 2011, he served as a director of Sterling Bancshares, Inc. He has also served as a director of The American Brahman Breeders Association from 1996 through February 2015. Mr. Riojas received a Chemical Engineering degree from Texas A&M University. Mr. Riojas' international business experience and relationships in the banking industry qualify him to serve on our board. The Compensation Committee benefits from Mr. Riojas' experience in manufacturing, distribution, service and chemicals.

Fred S. Robertson. Fred S. Robertson has served on our board since 2011. Mr. Robertson has over 30 years of experience overseeing institutional and retail investments. He has managed fixed income investments and designed extensive quantitative models for bond management. For the past five years, Mr. Robertson has been managing his personal investments. Mr. Robertson holds a number of non-profit board appointments and volunteers with many organizations in Houston. Mr. Robertson received a Bachelor of Science from Cornell University and a Masters of Business Administration in finance from The College of William and Mary. Mr. Robertson's significant experience in the banking industry and leadership skills qualify him to serve on our board. Mr. Robertson utilizes his knowledge of investment and fund management as Chair of the Bank's ALCO Committee. His financial expertise provides additional benefit to the Company as he serves as a director of the Bank, as a member of the Compensation Committee and as Chairman of the 401K Committee.

Ramon A. Vitulli III. Ramon A. Vitulli, III served as Bank Office President from 2007 to 2013 and has been President of the Bank since 2013. He has served on our board since 2014 and has been a director of the Bank since 2008. Mr. Vitulli has over 25 years of banking experience. He started his career as a loan review examiner at Charter National Bank in Houston and worked as a senior credit analyst and later as bank manager for Charter until his move to Sterling Bank in 1996. Mr. Vitulli previously was the Market Chief Executive Officer at Sterling Bank, where he managed various bank offices in northwest Houston. He presently serves on the St. Pius X High School Foundation and School Board and is a current member of the Dominican Sisters of Houston, Texas Finance Committee, the CHRISTUS Foundation for HealthCare Board and the Limited Partner Advisory Board of Bluehenge Capital Partners. Mr. Vitulli received a Bachelor of Business Administration degree in finance from The University of Texas at Austin. Mr. Vitulli's considerable business experience, and in particular his considerable experience in community banking, qualifies him to serve on our board.

#### Executive Officers Who Are Not Also Directors

Okan I. Akin. Okan I. Akin joined the Bank as a director and Regional President and Deputy Chief Credit Officer in 2013 in connection with our acquisition of Independence Bank, N.A., where he was the President and CEO. Mr. Akin became Executive Vice President and Chief Risk Officer of the Company and the Bank in January 2019 after serving over three years as the Executive Vice President and Chief Administrative Officer of the Bank. Mr. Akin has more than 20 years of community banking experience focused exclusively in the Houston market. He is a co-founder and director of the Turkish American Association for Business. Mr. Akin received a Master of Business Administration and a Bachelor of Business Administration degree in finance from the University of Houston.

Daryl D. Bohls. Daryl D. Bohls is one of the organizers of the Bank, and served as President and Chief Credit Officer of Allegiance Bank from 2007 to 2013 before dedicating himself full-time to the position of Executive Vice President and Chief Credit Officer in 2014. Mr. Bohls served on our board from 2008 until September 2018. Mr. Bohls has over 40 years of banking experience in the Houston market, including 20 years with Sterling Bank, and he has been the president of four Houston banks. During his tenure with Sterling Bank, Mr. Bohls held the positions of President, Executive Vice President, Director, Chief Credit Officer, Senior Loan Officer, Regional CEO and Chairman of Senior Loan Committee, the latter a position he held for 17 years. Mr. Bohls is a past board member of the Independent Bankers Association of Texas. Mr. Bohls previously served as a Civil Service Commissioner with the Harris County Sheriff's Department for 19 years. Mr. Bohls served as an adjunct Finance Professor for the banking school at Sam Houston State University for seven semesters. He is a member of the Houston C-Club. Mr. Bohls received a Bachelor of Business Administration degree in accounting from the University of Texas, and a Master of Business Administration in banking from Sam Houston State University.

Paul P. Egge. Paul P. Egge joined us as Executive Vice President and Chief Financial Officer of the Company and the Bank in 2016. Mr. Egge has over 15 years of financial services experience, predominantly as an investment banker focused on providing strategic and capital markets advisory services to banks and specialty finance companies. Prior to joining the Company, he served as Director of Capital Planning and Corporate Development for Cadence Bank. Prior to joining Cadence, Mr. Egge was a senior investment banker at Robert W. Baird & Co Incorporated, where he played a leadership role in our initial public offering as well as our 2015 acquisition of Enterprise Bank. Mr. Egge graduated cum laude with a Bachelor of Arts degree in Economics and Finance from The College of William and Mary and holds a Master of Business Administration from the Kellogg School of Management at Northwestern University.

Shanna Kuzdzal. Shanna Kuzdzal joined us as our and the Bank's Executive Vice President and General Counsel in February 2017 and became Secretary in April 2017. Ms. Kuzdzal has more than 14 years of legal experience during which her practice has focused on community banking in Texas with a concentration in the corporate area including capital markets and mergers and acquisitions. Most recently, she served as Senior Vice President and Associate

General Counsel at Prosperity Bank from 2014 to 2017. Prior to joining Prosperity, she was an attorney at Bracewell LLP, where she represented financial institutions in corporate matters, which included the organization of the Company in 2008 and our acquisition of Independence Bank. She received a Bachelor of Arts degree in biochemistry and biology from Rice University and graduated with honors with a Juris Doctorate from The University of Texas School of Law. Ms. Kuzdzal currently serves as a member of the Board of Directors of the Southwest Association of Bank Counsel.

## BOARD AND COMMITTEE MATTERS

### Board Meetings

Our board met six times during 2018 (including regularly scheduled and special meetings). During 2018, each director attended at least 75% or more of the aggregate of (i) the total number of meetings of the board (held during the period for which he or she was a director) and (ii) the total number of meetings of all committees of the board on which he or she served (during the period that he or she served), except for Messrs. Waters and Williams who, due to commitments made prior to joining the board, each missed the one board meeting held during the portion of 2018 during which they were directors.

### Director Attendance at Annual Meeting

The board encourages all directors to attend the annual meeting of shareholders. All but one of our directors attended the 2018 annual meeting of shareholders.

### Board Leadership Structure

George Martinez currently serves as our Chairman of the Board and Chief Executive Officer. Mr. Martinez has served in both of these positions since the inception of the Company. Mr. Martinez's primary duties are to lead our board in establishing the Company's overall vision and strategic plan and to lead the Company's management in carrying out that plan.

Our board does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board, as the board believes that it is in the best interests of the Company to make that determination from time to time based on the position and direction of the Company and the membership of the board. The board has determined that having our Chief Executive Officer serve as Chairman of the Board is in the best interests of our shareholders at this time. This structure makes best use of the Chief Executive Officer's extensive knowledge of the Company and the banking industry. The board views this arrangement as also providing an efficient nexus between the Company and the board, enabling the board to obtain information pertaining to operational matters expeditiously and enabling our Chairman to bring areas of concern before the board in a timely manner.

Upon the recommendation from the Corporate Governance and Nominating Committee, the independent directors elected John Beckworth to serve as Lead Director beginning in April 2017. The Lead Director chairs each executive session; will meet with any director who is not adequately performing his or her duties as a member of the board or any committee; facilitates communications between other members of the board and the Chairman and Chief Executive Officer; monitors, with the assistance of the Company's General Counsel, communications from shareholders and other interested parties and provide copies or summaries to the other directors as he considers appropriate; works with the Chairman in the preparation of the agenda for board meetings and in determining the need for special meetings of the board; and otherwise consults with the Chairman of the Board and Chief Executive Officer and members of the Corporate Governance and Nominating Committee on matters relating to corporate governance and board performance.

### Executive Sessions

The independent directors of the Company hold executive sessions from time to time without the Chief Executive Officer or any management director present. The Company's Corporate Governance Guidelines provide that the Company's independent directors will meet at least twice a year in executive session. During 2018, four executive sessions were held.

## Board Composition

The size of our board is currently set at 18 members. In accordance with the Company's bylaws, members of the board are divided into three classes, Class I, Class II and Class III. The members of each class are elected for a term of office to expire at the third succeeding annual meeting of shareholders following their election. The term of office of the current Class I directors expires at the annual meeting. The terms of the Class II and Class III directors expire at the annual meeting of shareholders in 2020 and 2021, respectively. Upon recommendation by the Corporate Governance and Nominating Committee, the board decided to reduce the size of the board by one from 18 to 17 at the conclusion of the annual meeting. Accordingly, if the five Class I director nominees, the Class II director nominee and the Class III director nominee are elected at the annual meeting, the composition of our board of directors will be five Class I directors, six Class II directors (with one vacancy) and six Class III directors.

Any director vacancy existing on or occurring after the election may be filled by a majority vote of the remaining directors, even if the remaining directors constitute less than a quorum of the full board. In accordance with the Company's bylaws, a director appointed to fill a vacancy will be appointed to serve until the next annual meeting of shareholders held for the election of directors, regardless of whether the class of director in which he serves is to be elected at such annual meeting. The number of directors may be changed only by resolution of the board.

As discussed in greater detail below, the board has affirmatively determined that 14 of our 18 current directors qualify as independent directors under the applicable rules of the NASDAQ Global Market and the SEC.

#### Director Independence

Under the rules of the NASDAQ Global Market, a majority of the members of our board are required to be independent. The rules of the NASDAQ Global Market, as well as those of the SEC, also impose several other requirements with respect to the independence of our directors.

Our board has evaluated the independence of each director based upon these rules. Applying these rules, our board has affirmatively determined that, with the exception of Messrs. Martinez, Retzloff, Vitulli and Williams, each of our current directors qualifies as an independent director under applicable rules. In making these determinations, our board considered the current and prior relationships that each director has and has had with the Company and all other facts and circumstances our board deemed relevant in determining their independence, including the beneficial ownership of common stock by each director, and the transactions described under the section titled "Certain Relationships and Related Person Transactions." The board also considered whether there were any transactions or relationships between directors or any member of their immediate family (or any entity of which a director or an immediate family member is an executive officer, general partner or significant equity holder) and members of the Company's senior management or their affiliates. The purpose of this review was to determine whether any such relationships or transactions existed that were inconsistent with a determination that the director is independent.

#### Risk Management and Oversight

Our board is responsible for oversight of management and the business and affairs of the Company, including those relating to management of risk. Our full board determines the appropriate risk for us generally, assesses the specific risks faced by us, and reviews the steps taken by management to manage those risks. While our full board maintains the ultimate oversight responsibility for the risk management process, its committees oversee risk in certain specified areas as described in the section entitled "– Committees of the Board."

#### Director Nominations

The Corporate Governance and Nominating Committee considers nominees to serve as directors of the Company and recommends such persons to the board. The Corporate Governance and Nominating Committee also considers director candidates recommended by shareholders who appear to be qualified to serve on the board and meet the criteria for nominees considered by such committee. The Corporate Governance and Nominating Committee may choose not to consider an unsolicited recommendation if no vacancy exists on the board and the Corporate Governance and Nominating Committee does not perceive a need to increase the size of the board. In order to avoid the unnecessary use of the Corporate Governance and Nominating Committee's resources, it will consider only those director candidates recommended in accordance with the procedures set forth in the section titled "– Procedures to be Followed by Shareholders For Director Nominations."

#### Criteria for Director Nominees

The Corporate Governance and Nominating Committee has adopted a set of criteria that it considers when it selects individuals to be nominated for election to the board. In addition to reviewing the background and qualifications of the individuals considered in the selection of candidates, the Corporate Governance and Nominating Committee looks at a number of attributes and criteria, including: experience, skills, expertise, diversity, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, conflicts of interest and such other relevant factors that the Corporate Governance and Nominating Committee considers appropriate in the context



of the needs of the board. The Corporate Governance and Nominating Committee does not have a formal policy with respect to diversity; however, the board and Corporate Governance and Nominating Committee believe that it is essential that the board's members represent diverse viewpoints.

The Corporate Governance and Nominating Committee may weigh the foregoing criteria differently in different situations, depending on the composition of the board at the time. The Corporate Governance and Nominating Committee will strive to maintain at least one director who meets the definition of "audit committee financial expert" under the regulations of the SEC.

In addition, prior to nominating an existing director for re-election to the board, the Corporate Governance and Nominating Committee considers and reviews an existing director's board and committee attendance and performance; length of board service; experience, skills and contributions that the existing director brings to the board; and independence.

### Process for Identifying and Evaluating Director Nominees

Pursuant to the Corporate Governance and Nominating Committee Charter as approved by the board, the Corporate Governance and Nominating Committee is responsible for the process relating to director nominations, including identifying, recruiting, interviewing and selecting individuals who may be nominated for election to the board.

The process that the Corporate Governance and Nominating Committee follows when it identifies and evaluates individuals to be nominated for election to the board is set forth below.

**Identification.** For purposes of identifying nominees for the board, the Corporate Governance and Nominating Committee will rely on personal contacts of the members of the board as well as their knowledge of members of the communities served by the Company. The Corporate Governance and Nominating Committee will also consider director candidates recommended by shareholders in accordance with the policy and procedures set forth below in the section titled "– Procedures to be Followed by Shareholders For Director Nominations." The Corporate Governance and Nominating Committee has not previously used an independent search firm in identifying nominees.

**Evaluation.** In evaluating potential nominees, the Corporate Governance and Nominating Committee determines whether the candidate is eligible and qualified for service on the board by evaluating the candidate under the selection criteria set forth above. In addition, for any new director nominee, the Corporate Governance and Nominating Committee will conduct a check of the individual's background and interview the candidate.

### Procedures to be Followed by Shareholders For Director Nominations

Any shareholder of the Company entitled to vote in the election of directors may recommend to the Corporate Governance and Nominating Committee one or more persons as a nominee for election as director at a meeting only if such shareholder has given timely notice in proper written form of such shareholder's intent to make such nomination or nominations. To be timely, a shareholder's notice given in the context of an annual meeting of shareholders must be delivered to or mailed and received at the principal executive office of the Company not less than one hundred twenty days in advance of the first anniversary of the date of the Company's notice to shareholders in connection with the previous year's annual meeting of shareholders. If no annual meeting was held in the previous year or the date of the annual meeting of shareholders has been changed by more than thirty days from the date contemplated at the time of the previous year's notice, the notice must be received by the Company at least eighty days prior to the date the Company intends to distribute its notice with respect to the annual meeting. To be timely, a shareholder's notice given in the context of a special meeting of shareholders must be delivered to or mailed and received by the Secretary of the Company at the principal executive office of the Company not later than the later of the ninetieth day prior to such special meeting or the tenth day following the day on which notice of the date of the special meeting and of the nominees proposed by the board to be elected at such special meeting was given. Any meeting of shareholders which is adjourned and will reconvene within thirty days after the meeting date as originally noticed will, for purposes of any notice contemplated by the foregoing, be deemed to be a continuation of the original meeting and no nominations by a shareholder of persons to be elected directors of the Company may be made at any such reconvened meeting other than pursuant to a notice that was timely for the meeting on the date originally noticed.

To be in proper written form, a shareholder's notice to the Secretary of the Company must set forth:

- the name and address of the shareholder who intends to make the nominations and of the person or persons to be nominated;
- a representation that the shareholder is a holder of record of shares of common stock entitled to vote at such meeting and, if applicable, intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; and

if applicable, a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder.

Shareholder nominations should be addressed to the Secretary of Allegiance Bancshares, Inc., 8847 West Sam Houston Parkway, N., Suite 200, Houston, Texas 77040.

A nomination not made in compliance with the foregoing procedures will not be eligible to be voted upon by the shareholders at the meeting. The Corporate Governance and Nominating Committee has the power and duty to determine whether a nomination was made in accordance with procedures set forth above and, if any nomination is not in compliance with the procedures set forth above, to declare that such defective nomination will be disregarded.

Committees of the Board

Our board has established an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. Below is a summary of our committee structure and membership information:

	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
John B. Beckworth			C
Robert Ivany			
Umesh (Mike) Jain	FE		
Frances H. Jeter			
P. Michael Mann, M.D.			
Robert E. McKee III	FE		
David B. Moulton			C
William S. (Nick) Nichols III	C, FE		
Thomas A. Reiser			
Raimundo Riojas			
Fred S. Robertson			
Louis A. Waters Jr.			

C = Chairperson; FE = Financial Expert

Our board may establish additional committees as it deems appropriate, in accordance with applicable law and regulations and our certificate of formation and bylaws.

Audit Committee

The members of the Audit Committee are Umesh (Mike) Jain, P. Michael Mann, M.D., Robert E. McKee III (who joined the committee in January 2019), William S. Nichols III and Thomas A. Reiser, with Mr. Nichols serving as chairperson. Our board has evaluated the independence of each of the members of the Audit Committee and has affirmatively determined that (i) each of the members meets the definition of an "independent director" under applicable NASDAQ Global Market rules, (ii) each of the members satisfies the additional independence standards under applicable SEC rules for audit committee service and (iii) each of the members has the ability to read and understand fundamental financial statements. In addition, the board has affirmatively determined that each of Messrs. Jain, McKee and Nichols has the requisite financial sophistication due to his experience and background to qualify as an "audit committee financial expert" as defined by the SEC and as required by NASDAQ Global Market rules. The Audit Committee met nine times in 2018.

The purpose of the Audit Committee is to assist the board in fulfilling its oversight responsibilities with respect to the following, among other things:

- overseeing the accounting and financial reporting processes of the Company and audit of the financial statements of the Company;

discussing the financial statements of the Company with management and the Company's independent auditor;

• monitoring actions taken by the Company to comply with its internal policies as well as external accounting, legal and regulatory requirements;

• reviewing with the independent auditor, the internal auditor and financial and accounting personnel, the accounting and financial controls of the Company;

• reviewing disclosures regarding independence of the Company's independent auditor; and

• evaluating the performance of the Company's independent auditor.

The Audit Committee is responsible for oversight of Company risks relating to accounting matters, financial reporting and legal and regulatory compliance. To satisfy these oversight responsibilities, the Audit Committee separately meets with the Company's executive officers, internal and external counsel, independent registered public accounting firm and management. The Audit Committee also receives reports regarding issues such as the status and findings of audits being conducted by the internal auditors and the independent registered public accounting firm, the status of material litigation and accounting changes that could affect the Company's financial statements and proposed audit adjustments, if any.

The Audit Committee has adopted a written charter, which sets forth the Audit Committee's duties and responsibilities. The Audit Committee charter is available on our website at [www.allegiancebank.com](http://www.allegiancebank.com) under Investor Relations/Corporate Governance/Governance Documents.

#### Compensation Committee

The members of the Compensation Committee are John Beckworth, David B. Moulton, William S. Nichols III, Raimundo Riojas E. and Fred Robertson, with Mr. Moulton serving as chairperson. Our board has evaluated the independence of each of the members of the Compensation Committee and has affirmatively determined that each meets the definition of an "independent director" under the applicable NASDAQ Global Market and SEC rules. The members of the Compensation Committee also satisfy the independence requirements and additional independence criteria under Rule 10C-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), qualify as "non-employee directors" within the meaning of Rule 16b-3 under the Exchange Act and "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code ("Code"). The Compensation Committee met two times in 2018. The Compensation Committee charter requires the Compensation Committee to meet at least twice each year.

The purpose of the Compensation Committee is to assist the board in fulfilling its oversight responsibilities with respect to the following, among other things:

- reviewing and approving compensation of our executive officers including annual base salary, annual incentive bonuses, specific goals, equity compensation, employment agreements, severance and change of control arrangements, and any other benefits, compensation or arrangements;
- reviewing and recommending compensation goals, bonus and stock compensation criteria for our employees;
- evaluating the compensation of our directors;
- reviewing and discussing annually with management our executive compensation disclosure required by SEC rules;
- to the extent required, preparing the Compensation Committee report required by the SEC to be included in our annual proxy statement; and
- administering, reviewing and making recommendations with respect to our equity compensation plans.

The Compensation Committee has overall responsibility for approving and evaluating the Company's compensation plans, policies and programs related to compensation of the Company's directors, officers, senior managers and employees. After due consideration of factors set forth in the Compensation Committee's charter, the Compensation Committee may select and appoint a compensation consultant, legal counsel or other adviser to the Compensation Committee. The Compensation Committee retained the compensation consultant McLagan, a part of Aon plc, in 2018 to provide services related to the determination of a peer group, an executive compensation market analysis for selected officers, an executive retirement market analysis, a director compensation market analysis and a peer incentive plan analysis, all of which were used in the Compensation Committee's review and determination of 2019 compensation. Aon Risk Services, an affiliate of McLagan, provided services to the Company in 2018. There are no known conflicts of interests between McLagan and the Company.

The Compensation Committee has adopted a written charter, which sets forth the Compensation Committee's duties and responsibilities. The Compensation Committee charter is available on our website at [www.allegiancebank.com](http://www.allegiancebank.com) under Investor Relations/Corporate Governance/Governance Documents.

#### Corporate Governance and Nominating Committee

The members of our Corporate Governance and Nominating Committee are John Beckworth, Robert Ivany, Frances H. Jeter, David B. Moulton and Louis A. Waters Jr. (who joined the committee in January 2019), with Mr. Beckworth serving as chairperson. Our board has evaluated the independence of each of the members of the Corporate Governance and Nominating Committee and has affirmatively determined that each of the members meets the

definition of an "independent director" under the applicable NASDAQ Global Market and SEC rules. The Corporate Governance and Nominating Committee met eight times in 2018. The Corporate Governance and Nominating Committee did not retain the services of any third party to identify, evaluate or assist in identifying or evaluating potential board nominees, but did retain Chartwell Partners to provide consulting services related to board size, composition and diversity during 2018.

The Corporate Governance and Nominating Committee has responsibility for, among other things:

- making recommendations to the board from time to time as to changes that the Corporate Governance and Nominating Committee believes to be desirable to the size of the board or any board committee;
- identifying individuals believed to be qualified to become members of the board and any of its committees;
- developing and recommending to the board standards to be applied in making determinations as to the absence of material relationships between the Company and a director;

- evaluating the independence of directors and nominees;
- establishing procedures for the Corporate Governance and Nominating Committee to exercise oversight of the evaluation of the board and management;
- developing and recommending to the board a set of Corporate Governance Guidelines applicable to the Company; and
- assisting management in the preparation of the disclosure in the Company’s annual proxy statement.

Our Corporate Governance and Nominating Committee has adopted a written charter, which sets forth the Corporate Governance and Nominating Committee’s duties and responsibilities. The Corporate Governance and Nominating Committee charter is available on our website at [www.allegiancebank.com](http://www.allegiancebank.com) under Investor Relations/Corporate Governance/Governance Documents.

Our Corporate Governance and Nominating Committee will consider shareholder recommendations for nominees, provided that such shareholder complies with the procedures described in the section titled " – Procedures to be Followed by Shareholders For Director Nominations."

#### Director Compensation

We and the Bank pay our respective directors, other than those directors who are employed by us or the Bank, a fee based on the directors’ participation in board and committee meetings. In 2018, each Company director who was not employed by us or the Bank received an annual cash retainer of \$20,000, paid \$5,000 quarterly, and \$1,000 for each board meeting and \$500 for each committee meeting, except for members of the Audit and Loan Committees, who received \$1,000 per meeting, that he or she attended.

In addition, the Compensation Committee recommended, and the board approved, a grant of \$20,000 in restricted stock to each non-employee director that was issued on the date of the annual meeting and for which the forfeiture restrictions lapse on the first of the month in which the next year’s annual meeting is expected to be held. In satisfaction of this obligation, each non-employee director received a grant of 486 shares pursuant to the Company’s 2015 Stock Awards and Incentive Plan on April 27, 2018, for which the forfeiture restrictions will lapse on April 1, 2019.

Directors who are employed by us, the Bank or both do not receive remuneration for serving as a director of the Bank or us, but are compensated in their capacity as employees. Mr. Bohls served as a Class I director of the Company until he resigned effective September 28, 2018. Mr. Bohls serves as Executive Vice President of the Company and as a director and Executive Vice President and Chief Credit Officer of the Bank. Mr. Williams was appointed to the board of the Company and elected as Executive Vice Chairman of the Bank, effective as of October 1, 2018. Neither Mr. Bohls nor Mr. Williams is a named executive officer, and the compensation for each is included in the “Fees Earned or Paid in Cash” column in the table below.

The following table sets forth the compensation paid to each director who served on our board during 2018. The table also includes compensation earned by each director that is attributable to his or her service on the board or a committee of the Bank. For the year ended December 31, 2018, none of the non-employee directors received compensation in the form of perquisites or other personal benefits valued at \$10,000 or more.

Name	Fees Earned	Restricted Stock Awards <sup>(2)</sup>	All Other Compensation	Total
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or Paid in

	Cash <sup>(1)</sup>			
John Beckworth	\$36,500	(a) \$ 19,999	—	\$56,499
Daryl D. Bohls <sup>(3)</sup>	300,200	(b) —	37,921	(4) 338,121
Matthew H. Hartzell	42,000	(c) 19,999	—	61,999
Robert Ivany	29,000	19,999	—	48,999
Umesh (Mike) Jain	59,500	(d) 19,999	—	79,499
Frances H. Jeter	30,000	19,999	—	49,999
James J. Kearney	46,500	(e) 19,999	—	66,499
P. Michael Mann, M.D.	33,000	19,999	—	52,999
Robert E. McKee III <sup>(5)</sup>	9,000	(f) 10,008	—	19,008
David B. Moulton	85,000	(g) 19,999	—	104,999
William S. Nichols III	52,000	(h) 19,999	—	71,999
Thomas A. Reiser	34,500	(i) 19,999	—	54,499
Raimundo Riojas E.	22,200	19,999	—	42,199
Fred S. Robertson	48,500	(j) 19,999	—	68,499
Louis A. Waters Jr. <sup>(5)</sup>	5,000	10,008	—	15,008
Roland L. Williams <sup>(6)</sup>	121,047	(k) 332,558	(7) 5,829	(8) 459,434

- (1) The amounts shown in this column include annual retainer and meeting fees for serving on the Company's and the Bank's board of directors and any of their respective committees.
- (a) Consists of \$31,000 in fees paid for service to the Company and \$5,500 in fees paid for service to the Bank.
- (b) Consists of \$265,200 received as salary and \$35,000 received in bonus for service as an officer to the Bank during 2018.
- (c) Consists of \$26,000 in fees paid for service to the Company and \$16,000 in fees paid for service to the Bank.
- (d) Consists of \$34,000 in fees paid for service to the Company and \$25,500 in fees paid for service to the Bank.
- (e) Consists of \$26,000 in fees paid for service to the Company and \$19,500 in fees paid for service to the Bank.
- (f) Consists of \$6,000 in fees paid for service to the Company and \$3,000 in fees paid for service to the Bank.
- (g) Consists of \$36,000 in fees paid for service to the Company and \$49,000 in fees paid for service to the Bank.
- (h) Consists of \$36,000 in fees paid for service to the Company and \$16,000 in fees paid for service to the Bank.
- (i) Consists of \$33,000 in fees paid for service to the Company and \$1,500 in fees paid for service to the Bank.
- (j) Consists of \$27,000 in fees paid for service to the Company and \$21,500 in fees paid for service to the Bank.
- (k) Consists of \$87,500 received as salary and \$33,547 received as bonus as an officer of the Bank for service to the Bank from October 1, 2018 through December 31, 2018 pursuant to his employment agreement with the Bank.
- (2) Represents the aggregate grant date fair value of restricted stock awarded pursuant to the Company's 2015 Stock Awards and Incentive Plan in the fiscal year ended December 31, 2018, which was computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation ("ASC Topic 718").
- (3) Mr. Bohls serves as Executive Vice President of the Company and as a director, Executive Vice President and Chief Credit Officer of the Bank. He was a director of the Company until he resigned effective as of September 28, 2018. The amounts shown in the table are compensation for the year ended December 31, 2018.
- (4) This amount includes club membership dues of \$4,997, premiums paid on life and disability insurance policies of \$6,037, Company matching contributions under the 401(k) plan of \$7,956, a contribution of \$1,500 to a health savings account and a contribution of \$17,431 under the Company's profit sharing plan.
- (5) This director was appointed to the board on October 1, 2018. The retainer fee and restricted stock awards shown above reflect the pro rata portion earned by the director for such period.
- (6) Mr. Williams was appointed to the board of the Company and elected as an officer of the Bank, effective as of October 1, 2018.
- (7) Mr. Williams received a grant of 8,591 shares of restricted stock on November 1, 2018 pursuant to his employment agreement with the Bank. The shares vest ratably over a two-year period.
- (8) This amount consists of premiums paid on life and disability insurance policies of \$78 and a contribution of \$5,751 under the Company's profit sharing plan.

All non-employee directors have been and will continue to be reimbursed for their reasonable out-of-pocket travel expenses incurred in attending meetings of our board or any committees thereof. Directors are also entitled to the protection provided by the indemnification provisions in our certificate of formation and bylaws, as well as the articles of association and bylaws of the Bank and separate indemnification agreements between each director and the Company. Additionally, the Company maintains a directors and officers insurance policy.

## CERTAIN CORPORATE GOVERNANCE MATTERS

## Code of Business Conduct and Ethics

We have a Code of Business Conduct and Ethics in place that applies to all of our directors, officers and employees. The Code of Business Conduct and Ethics sets forth specific standards of conduct and ethics that we expect all of our directors, officers and employees to follow, including the Company's Chairman of the Board and Chief Executive Officer and senior financial officers. The Code of Business Conduct and Ethics is available on our website at [www.allegiancebank.com](http://www.allegiancebank.com) under Investor Relations/Corporate Governance/Governance Documents. Any amendments to the Code of Business Conduct and Ethics, or any waivers of requirements thereof, will be disclosed on our website within four days of such amendment or waiver.

## Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines to assist the board in the exercise of its fiduciary duties and responsibilities and to serve the best interests of the Company and our shareholders. The Corporate Governance Guidelines are available on our website at [www.allegiancebank.com](http://www.allegiancebank.com) under Investor Relations/Corporate Governance/Governance Documents.

## Independent Auditors

The Audit Committee has recommended, and the board appointed, Crowe LLP as our independent auditors to audit the consolidated financial statements of the Company for the 2019 fiscal year. Crowe LLP (formerly known as Crowe Horwath LLP) has served as our independent auditors since 2014 and reported on the Company's consolidated financial statements for the 2014-2018 fiscal years.

## Fees Paid to Independent Registered Public Accounting Firm

The Audit Committee has reviewed the following audit and non-audit fees billed to the Company by Crowe LLP for 2018 and 2017 for purposes of considering whether such fees are compatible with maintaining the auditor's independence, and concluded that such fees did not impair Crowe LLP's independence. The policy of the Audit Committee is to pre-approve all audit and non-audit services performed by Crowe LLP before the services are performed, including all of the services described under "—Audit Fees" and "—Audit-Related Fees" below. The Audit Committee has pre-approved all of the services provided by Crowe LLP in accordance with the policies and procedures described in the section titled "—Audit Committee Pre-Approval."

	2018	2017
Audit Fees <sup>(1)</sup>	\$465,150	\$481,010
Audit-Related Fees <sup>(2)</sup>	55,000	20,000
Tax Fees	—	—
All Other Fees	3,469	3,530
Total Fees	\$523,619	\$504,540

(1) Audit fees reflect the aggregate fees billed for services related to the reviews of our quarterly reports filed on Form 10-Q, the audit of the consolidated financial statements of the Company and other SEC filings.

(2)

Audit-related fees reflect fees billed for services related to the review of the Company's registration statement on Form S-4.

Audit Committee Pre-Approval

The Audit Committee's charter establishes a policy and related procedures regarding the Audit Committee's authority to approve, in advance, all auditing services (which, if applicable, may include providing comfort letters in connection with securities underwritings), and non-audit services that are otherwise permitted by law (including tax services, if any) that are provided to the Company by its independent auditors (which approval is made after receiving input from the Company's management, if desired). The Audit Committee may also delegate to one or more of its members the authority to pre-approve auditing services and non-audit services that are otherwise permitted by law, provided that each such preapproval decision is presented to the full Audit Committee at a scheduled meeting. In addition, the Audit Committee has the authority to review and, in its sole discretion, approve in advance the Company's independent auditors' annual engagement letter, including the proposed fees contained therein.

## EXECUTIVE COMPENSATION AND OTHER MATTERS

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These include, but are not limited to, reduced disclosure obligations regarding executive compensation in our proxy statements, including the requirement to include a specific form of Compensation Discussion and Analysis, as well as exemptions from the requirement to hold a non-binding advisory vote on executive compensation and the requirement to obtain shareholder approval of any golden parachute payments not previously approved. We have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

Our "named executive officers," which consist of our principal executive officer and the four other most highly compensated executive officers, are:

- George Martinez, Chairman of the Board and Chief Executive Officer;
- Steven F. Retzloff, President;
- Ramon A. Vitulli III, Executive Vice President;
- Paul P. Egge, Executive Vice President and Chief Financial Officer; and
- Shanna Kuzdzal, Executive Vice President, General Counsel and Secretary.

## Summary Compensation Table

The following table sets forth information regarding the compensation paid to each of our named executive officers for the fiscal years indicated. Except as set forth in the notes to the table, all cash compensation for each of our named executive officers was paid by the Bank, where Mr. Martinez serves as Chief Executive Officer; Mr. Retzloff serves as Chairman of the Board; Mr. Vitulli serves as President and Chief Operating Officer; Mr. Egge serves as Executive Vice President and Chief Financial Officer; and Ms. Kuzdzal serves as Executive Vice President, General Counsel and Secretary.

Name and Position	Year	Salary <sup>(1)</sup>	Bonus	All Other		Total
				Stock Awards <sup>(2)</sup>	Compensation <sup>(3)</sup>	
George Martinez	2018	\$490,000	\$ —	\$ —	\$ 31,219	(a) \$521,219
Chairman of the Board and Chief Executive Officer	2017	475,000	—	—	24,779	