

Triumph Bancorp, Inc.  
Form DEF 14A  
April 01, 2016  
[Table of Contents](#)

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**SCHEDULE 14A**  
**(RULE 14a-101)**  
**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**  
**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to Section 240.14a-12

**TRIUMPH BANCORP, INC.**

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

**N/A**

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

Payment of Filing Fee (Check the appropriate box):

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

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

- (2) Aggregate number of securities to which transaction applies:
  
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
- (4) Proposed maximum aggregate value of transaction:
  
- (5) Total fee paid:
  
- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:
  
  - (2) Form, Schedule or Registration Statement No.:
  
  - (3) Filing Party:
  
  - (4) Date Filed:

**Table of Contents**

**TRIUMPH BANCORP, INC.**

**12700 Park Central Drive, Suite 1700**

**Dallas, Texas 75251**

**(214) 365-6900**

April 1, 2016

Dear Triumph Bancorp, Inc. Stockholders,

You are cordially invited to attend the Annual Meeting of Stockholders of Triumph Bancorp, Inc., to be held on May 12, 2016. The Annual Meeting will begin promptly at 1:00 p.m., local time, at 3 Park Central, 12700 Park Central Drive, Basement Level, Conference Room 1, Dallas, Texas 75251.

A Notice of Annual Meeting of Stockholders and the Proxy Statement for the meeting are attached. To ensure your representation at the Annual Meeting, you are urged to vote by proxy via the Internet or telephone pursuant to the instructions provided in the enclosed proxy card; or by completing, dating, signing and returning the enclosed proxy card.

The Notice of Annual Meeting and Proxy Statement on the following pages contain information about the official business of the Annual Meeting. Whether or not you expect to attend, please vote your shares now. Of course, if you decide to attend the Annual Meeting, you will have the opportunity to revoke your proxy and vote your shares in person. This Proxy Statement is also available at [www.proxydocs.com/tbk](http://www.proxydocs.com/tbk).

We gratefully acknowledge your continuing interest in our business, and we hope that you will attend the Annual Meeting.

Sincerely,

Aaron P. Graft

President and Chief Executive Officer

**Table of Contents**

**TRIUMPH BANCORP, INC.**

**12700 Park Central Drive, Suite 1700**

**Dallas, Texas 75251**

**(214) 365-6900**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD MAY 12, 2016**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of Stockholders of Triumph Bancorp, Inc. will be held at 3 Park Central, 12700 Park Central Drive, Basement Level, Conference Room 1, Dallas, Texas 75251, at 1:00 p.m., local time, on May 12, 2016, for the following purposes:

1. To re-elect four directors to the Board of Directors;
2. To ratify the appointment of Crowe Horwath LLP as our independent registered public accounting firm for the current fiscal year; and
3. To transact any business as may properly come before the Annual Meeting or any adjournments or postponements.

We are furnishing our 2015 Annual Report and proxy materials to our stockholders primarily through the Internet this year in accordance with rules adopted by the Securities and Exchange Commission. Stockholders of record have been mailed a Notice of Internet Availability of Proxy Materials on or around April 1, 2016, which provides them with instructions on how to vote and how to access the 2015 Annual Report and proxy materials on the Internet. It also provides instructions on how to request paper copies of these materials. Stockholders of record who previously enrolled in a program to receive electronic versions of the 2015 Annual Report and proxy materials will receive an email notice with details on how to access those materials and how to vote.

Stockholders of record may vote:

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

By phone: call 866-206-5381

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

## Edgar Filing: Triumph Bancorp, Inc. - Form DEF 14A

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

The Board of Directors has fixed the close of business on March 18, 2016 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting.

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

By Order of the Board of Directors,

Aaron P. Graft  
President and Chief Executive Officer

April 1, 2016

Dallas, Texas

**Table of Contents**

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

Meeting to Be Held on May 12, 2016

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

**Table of Contents**

**TABLE OF CONTENTS**

|   | <b>Page</b> |
|---|-------------|
| <u>INFORMATION CONCERNING SOLICITATION AND VOTING</u>   | 1           |
| <u>PROPOSAL 1: ELECTION OF DIRECTORS</u>  | 5           |
| <u>CORPORATE GOVERNANCE</u>   | 10          |
| <u>DIRECTOR AND EXECUTIVE OFFICER COMPENSATION</u>  | 15          |
| <u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>                                | 24          |
| <u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>                                   | 25          |
| <u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>                         | 26          |
| <u>PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u> | 30          |
| <u>REPORT OF THE AUDIT COMMITTEE</u>  | 32          |
| <u>STOCKHOLDER PROPOSALS</u>  | 34          |
| <u>HOUSEHOLDING</u>   | 35          |

**Table of Contents**

**TRIUMPH BANCORP, INC.**

**12700 Park Central Drive, Suite 1700**

**Dallas, Texas 75251**

**(214) 365-6900**

**PROXY STATEMENT**

**FOR THE ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON**

**May 12, 2016**

**INFORMATION CONCERNING SOLICITATION AND VOTING**

**Introduction**

We are furnishing this Proxy Statement on behalf of the Board of Directors (the "Board of Directors") of Triumph Bancorp, Inc. ("Triumph"), a Texas corporation, for use at our 2016 Annual Meeting of Stockholders, or at any adjournments or postponements of the meeting (the "Annual Meeting"), for the purposes set forth below and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at 3 Park Central, 12700 Park Central Drive, Basement Level, Conference Room 1, Dallas, Texas 75251, at 1:00 p.m. local time, on May 12, 2016.

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

As used in this Proxy Statement, the terms "us", "we", "our", "the Company" and "Triumph" refer to Triumph Bancorp, Inc. and, where appropriate, Triumph Bancorp, Inc., and its subsidiaries. The term "Common Stock" means shares of our Common Stock, par value, \$0.01 per share.

**Stockholders Entitled to Notice and to Vote; Quorum**

Only holders of record of our Common Stock at the close of business on March 18, 2016, which the Board of Directors has set as the record date, are entitled to notice of, and to vote at, the Annual Meeting. As of March 18, 2016 we had 18,018,089 shares of Common Stock outstanding and entitled to vote at the Annual Meeting, and our shares of Common Stock were held by approximately 367 stockholders of record. Each stockholder of record of Common Stock on the record date will be entitled to one vote for each share held on all matters to be voted upon at the Annual Meeting. There are no cumulative voting rights in the election of directors.



The presence, in person or by proxy, of a majority of the votes entitled to be cast on a matter to be voted on at the Annual Meeting constitutes a quorum for action on that matter. The shares of Common Stock represented by properly executed proxy cards or properly authenticated voting instructions recorded electronically through the Internet or by telephone, will be counted for purposes of determining the presence of a quorum at the Annual Meeting. Abstentions and broker non-votes will be counted toward fulfillment of quorum requirements. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner.

## **Table of Contents**

### **Distinction Between Holding Shares as a Stockholder of Record and as a Beneficial Owner**

Some of our stockholders hold their shares through a broker, trustee, or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those shares owned beneficially.

**Stockholder of Record.** If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., then you are considered, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to grant your voting proxy directly to us or to a third party, or to vote in person at the Annual Meeting.

**Beneficial Owner.** If your shares are held in a brokerage account, by a trustee or, by another nominee, then you are considered the beneficial owner of those shares. As the beneficial owner of those shares, you have the right to direct your broker, trustee, or nominee how to vote and you also are invited to attend the Annual Meeting. However, because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting.

If you are not a stockholder of record, please understand that we do not know that you are a stockholder, or how many shares you own.

### **Voting Deadline**

If you are a stockholder of record on the record date, then your proxy must be received no later than 11:59 p.m., Dallas, Texas time on May 11, 2016 to be counted. If you are the beneficial owner of your shares held through a broker, trustee, or other nominee, please follow the instructions of your broker, trustee, or other nominee in determining the deadline for submitting your proxy.

### **Voting without Attending the Annual Meeting**

Whether you hold shares directly as a stockholder of record or through a broker, trustee, or other nominee, you may direct how your shares are voted without attending the Annual Meeting. You may give voting instructions by the Internet, by telephone, or by mail. Instructions are on the proxy card. The proxy holders will vote all properly executed proxies that are delivered in response to this solicitation, and not later revoked, in accordance with the instructions given by you.

### **Voting in Person**

Shares held in your name as the stockholder of record on the record date may be voted in person at the Annual Meeting. Shares for which you are the beneficial owner but not the stockholder of record may be voted in person at the Annual Meeting only if you obtain a legal proxy from the broker, trustee, or other nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you vote by proxy as described below so that your vote will be counted if you later decide not to attend the Annual Meeting.

The vote you cast in person will supersede any previous votes that you may have submitted, whether by Internet, telephone, or mail.

## **Voting Requirements**

At the Annual Meeting, stockholders will consider and act upon (1) the election of three directors, (2) the ratification of the appointment of our independent registered public accounting firm, and (3) such other business as may properly come before the Annual Meeting.

-2-

## **Table of Contents**

Our Bylaws provide that directors are elected by a plurality of the votes cast. This means that the director nominee with the most votes for a particular seat on the Board of Directors is elected for that seat. Only votes actually cast will be counted for purposes of determining whether a director nominee received the most votes for a particular seat on the Board of Directors. Abstentions and the withholding of authority by a stockholder (including broker non-votes) as to the election of directors (Proposal 1) are not treated as votes cast and thus have no effect on the results of the election.

Under our Bylaws, the ratification of the appointment of our independent registered public accounting firm (Proposal 2) must be approved by the affirmative vote of a majority of the votes cast. Abstentions and broker non-votes are not treated as votes cast and thus have no effect on the vote for Proposal 2.

Under current Nasdaq Global Stock Market (the "NASDAQ") rules, a broker, bank or other nominee may exercise discretionary voting power for the ratification of the selection of Crowe Horwath LLP. However, the election of directors is a significant matter and the NASDAQ does not permit a broker, bank or other nominee to exercise discretionary voting power with regard to such proposal. Therefore, if you are a beneficial owner and do not provide your broker, bank or other nominee with voting instructions on the election of directors, then your vote will not count either for or against the election of the nominees.

## **Treatment of Voting Instructions**

If you provide specific voting instructions, your shares will be voted as instructed.

If you hold shares as the stockholder of record and sign and return a proxy card or vote by Internet or telephone without giving specific voting instructions, then your shares will be voted in accordance with the recommendations of our Board of Directors. Our Board of Directors recommends (1) a vote for the election of each of the director nominees to our Board of Directors and (2) a vote for the ratification of the appointment of Crowe Horwath LLP as our independent registered public accounting firm.

You may have granted to your broker, trustee, or other nominee discretionary voting authority over your account. Your broker, trustee, or other nominee may be able to vote your shares depending on the terms of the agreement you have with your broker, trustee, or other nominee.

The persons identified as having the authority to vote the proxies granted by the proxy card will also have discretionary authority to vote, in their discretion, to the extent permitted by applicable law, on such other business as may properly come before the Annual Meeting and any postponement or adjournment. The Board of Directors is not aware of any other matters that are likely to be brought before the Annual Meeting. If any other matter is properly presented for action at the Annual Meeting, including a proposal to adjourn or postpone the Annual Meeting to permit us to solicit additional proxies in favor of any proposal, the persons named in the proxy card will vote on such matter in their own discretion.

## **Revocability of Proxies**

A stockholder of record who has given a proxy may revoke it at any time prior to its exercise at the Annual Meeting by either (i) giving written notice of revocation to our Corporate Secretary, (ii) properly submitting a duly executed proxy bearing a later date, or (iii) appearing in person at the Annual Meeting and voting in person.

If you are the beneficial owner of shares held through a broker, trustee, or other nominee, you must follow the specific instructions provided to you by your broker, trustee, or other nominee to change or revoke any instructions you have already provided to your broker, trustee, or other nominee.



**Table of Contents**

**Costs of Proxy Solicitation**

Proxies will be solicited from our stockholders by mail and through the Internet. We will pay all expenses in connection with the solicitation, including postage, printing and handling, and the expenses incurred by brokers, custodians, nominees and fiduciaries in forwarding proxy material to beneficial owners. It is possible that our directors, officers and other employees may make further solicitations personally or by telephone, facsimile or mail. Our directors, officers and other employees will receive no additional compensation for any such further solicitations.

**Table of Contents**

**PROPOSAL 1: ELECTION OF DIRECTORS**

**Introduction**

In accordance with the terms of our charter, our Board of Directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms and is divided as follows:

The Class I directors are Aaron P. Graft, Robert Dobrient and Maribess L. Miller, and their term will expire at the annual meeting of stockholders expected to be held in 2018;

The Class II directors are Douglas M. Kratz, Richard L. Davis, Michael P. Rafferty and C. Todd Sparks, and their term will expire at the Annual Meeting; and

The Class III directors are Carlos M. Sepulveda, Jr., Charles A. Anderson, Justin N. Trail and Derek R. McClain, and their term will expire at the annual meeting of stockholders expected to be held in 2017.

The Board of Directors has determined that with the exception of Aaron P. Graft, Douglas M. Kratz and Carlos M. Sepulveda, Jr., each of our current directors is an independent director.

At each annual meeting of stockholders, upon the expiration of the term of a class of directors, the successor to each such director in the class will be elected to serve from the time of election and qualification until the third annual meeting following his or her election and until his or her successor is duly elected and qualifies, in accordance with our charter. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist, as nearly as possible, of one-third of the directors. Each of the directors elected at the Annual Meeting will be elected for a three-year term which expires at the annual meeting of stockholders expected to be held in 2019 and will serve until the director's successor has been elected and qualified, or until the director's earlier resignation or removal.

Upon the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has nominated Douglas M. Kratz, Richard Davis, Michael P. Rafferty and C. Todd Sparks for re-election to the Board of Directors (whom we refer to as the nominees).

**The Board of Directors unanimously recommends a vote FOR the re-election of each of the nominees.**

**Information Concerning the Nominees and Directors**

Biographical information for each director and nominee appears below. The information is based entirely upon information provided by the respective directors and nominees.

| <b>Name</b>         | <b>Age</b> | <b>Position</b> |
|---------------------|------------|-----------------|
| Charles A. Anderson | 55         | Director        |
| Richard L. Davis    | 62         | Director        |
| Robert Dobrient     | 54         | Director        |

Edgar Filing: Triumph Bancorp, Inc. - Form DEF 14A

|                          |    |  |
|--------------------------|----|--|
| Aaron P. Graft           | 38 | Director, Vice Chairman, Chief Executive Officer & President |
| Douglas M. Kratz         | 64 | Director   |
| Derek R. McClain         | 60 | Director   |
| Maribess L. Miller       | 63 | Director   |
| Michael P. Rafferty      | 61 | Director   |
| Carlos M. Sepulveda, Jr. | 58 | Director & Chairman  |
| C. Todd Sparks           | 48 | Director   |
| Justin N. Trail          | 44 | Director   |



---

**Table of Contents**

**Board Nominees for Terms Ending in 2019**

**Richard L. Davis** has served on our Board of Directors since 2010. He is founder and chief executive officer of Dallas-based DAVACO, Inc., a leading provider of retail, restaurant and hospitality service solutions. In 2000 and 2006, Mr. Davis was a finalist for the Ernst & Young Entrepreneur of the Year award, and in 2006, he was inducted into the Retail Construction Hall of Fame. Mr. Davis currently serves on The Salvation Army's Dallas/Fort Worth Metroplex Advisory Board and The Board of Advisors of the Baylor Angel Network with the Hankamer School of Business of Baylor University. Mr. Davis' extensive experience in business qualifies him to serve on our Board of Directors.

**Douglas M. Kratz** has served on our Board of Directors since 2013 and also serves on the board of directors of our subsidiary bank, TBK Bank, SSB. On October 1, 2015 Triumph Community Bank, N.A. f/k/a THE National Bank was merged with and into TBK Bank, SSB. Prior to Triumph Bancorp's 2013 acquisition of National Bancshares, Inc, Mr. Kratz served as the Chairman of the Board of National Bancshares, Inc. and as a director of its subsidiary bank, THE National Bank, since 2001. During that period, for several years, Mr. Kratz also served as Chief Executive Officer of National Bancshares, Inc. and as Vice Chairman of THE National Bank. Over the past 30 years, Mr. Kratz has served on the boards of directors of numerous community banking organizations along with being a principal investor in several of these organizations. Mr. Kratz is also a principal investor in privately held non-bank financial services related entities. Mr. Kratz's extensive business and banking experience, as well as his long-standing community business and banking relationships in the Quad Cities Metropolitan Area, qualify him to serve on our Board of Directors.

**Michael P. Rafferty** has served on our Board of Directors since July 2014 and serves as Chairman of the Audit Committee. Since March 2016, Mr. Rafferty has served as a director and member of the audit committee of MoneyGram International, Inc. (NASDAQ: MGI). Mr. Rafferty was a member of the public accounting firm Ernst & Young LLP from 1975 until 2013, was admitted as Partner of the Firm in 1988, and served as the Audit Practice Leader for the Southwest Region from 2004 to 2013. During his career with Ernst & Young, he primarily served clients in the financial services and healthcare industries. Mr. Rafferty graduated with a Bachelor of Science degree in Accounting from the University of New Orleans. Mr. Rafferty is a Certified Public Accountant and is licensed in Texas. Mr. Rafferty's extensive experience in the financial services industry qualifies him to serve on our Board of Directors.

**C. Todd Sparks** has served on our Board of Directors since 2010. He also serves as a director of our wholly owned subsidiary bank, TBK Bank, SSB. He is vice president and chief financial officer of Discovery Operating Inc., where he has been employed since 1992. He currently serves on the Board of Directors of Patriot Drilling, LLC, FirstCapital Bank of Texas and First Bancshares of Texas (Holding Company). Mr. Sparks received a bachelor of business administration from Baylor University in 1989 and a master of business administration from Texas A&M University in 1992. Mr. Sparks' extensive business and banking experience, as well as his long-standing business and banking relationships in the community, qualify him to serve on our Board of Directors.

**Directors with Terms Ending in 2017 (Continuing Directors)**

**Charles A. Anderson** has served on our Board of Directors since 2010. In 2003, Mr. Anderson cofounded Bandera Ventures, Ltd., a firm focused on industrial development and acquisitions, distressed office acquisitions and long-term lease opportunities. Prior to that, Mr. Anderson was associated with the Trammell Crow Company where he served as senior executive director, responsible for the Development and Investment Group for the Western half of the United States. Since 2014, Mr. Anderson has served on the board of directors and as a member of the investment and audit committees of Highwoods Properties, Inc. (NYSE:HIW), a publicly traded real estate investment trust. He earned his

bachelor of business administration and master of business administration from Southern Methodist University, where he graduated *summa cum laude*. Mr. Anderson's extensive experience in business and finance qualify him to serve on our Board of Directors.

---

**Table of Contents**

**Derek R. McClain** has served on our Board of Directors since November 2014. He is an investor and an independent management and financial consultant. Since 2011, Mr. McClain has served as a consultant for CBRE Global Investors, the investment management arm of CB Richard Ellis, including a period of service as its interim Chief Financial Officer. From 1998 through 2006, Mr. McClain served as General Counsel and then Chief Financial Officer of Trammell Crow Company, a public real estate services company. From 1981 through 1997, he practiced corporate and securities law with Vinson & Elkins LLP. Mr. McClain also serves on the boards of directors of Mutual of Omaha Insurance Company, Davaco, Inc. and The McShane Companies. He graduated from the University of Kansas in 1977 with a Bachelor of Science in Business Administration and from the University of California (Berkeley) in 1981 with both a Juris Doctorate and Masters in Business Administration. Mr. McClain's extensive experience in business, as well as his extensive experience in corporate and securities law, qualifies him to serve on our Board of Directors.

**Carlos M. Sepulveda, Jr.** has served as chairman of our board since 2010. He also serves as chairman of TBK Bank, SSB. Since March 2014, Mr. Sepulveda has served on the board of directors of Savoya, a chauffeured ground transportation service provider. Since 2013, Mr. Sepulveda has served as a director and chairman of the audit committee at Matador Resources Company (NYSE:MTDR), and also currently serves as chairman of the financial committee, and a member of the executive committee. Since 2007, he has served as a director and chairman of the audit committee at Cinemark Holdings, Inc. (NYSE:CNK), and is currently also a member of both the compensation committee and the strategic planning committee. Mr. Sepulveda joined Interstate Battery System International, Inc. in 1990, and served as its president and chief executive officer from 2004 until 2013, and continues to serve on its board of directors as he has since 1995. Prior to joining Interstate Battery, Mr. Sepulveda was a partner at KPMG with more than 10 years of audit experience, including a concentration in financial services companies and banks. Mr. Sepulveda received a bachelor of business administration with highest honors from the University of Texas at Austin. He is a certified public accountant (CPA) and is a member of the American Institute of CPAs and Texas Society of CPAs. Mr. Sepulveda's extensive experience in business and finance qualify him to serve on our Board of Directors.

**Justin N. Trail** has served on our Board of Directors since 2010. He is the founder and president of Commercial Insurance Solutions Group, LLC, a national retail insurance brokerage company specializing in the risk management of real estate investment portfolios, founder and CEO of C1 Insurance Group and cofounder and director of Spicewood Funding Group, a specialty finance company. Mr. Trail serves as a director at Triumph Business Capital, chairman at Triumph Insurance Group, member of the compensation committee of the Board of the Company and director at the Company's wholly owned subsidiary, TBK Bank, SSB. He also serves as a director at the NMHC and numerous non-profit organizations. Mr. Trail graduated from Texas A&M University with a bachelor of science in 1994 and a master's degree in 1996. Mr. Trail's extensive business and banking experience qualify him to serve on our Board of Directors.

**Directors with Terms Ending in 2018 (Continuing Directors)**

**Aaron P. Graft** is our founder, vice chairman, President and Chief Executive Officer. He also serves as the Chief Executive Officer and a director of the Company's wholly owned bank subsidiary TBK Bank, SSB and is the Chairman of Triumph Business Capital. Prior to establishing Triumph Bancorp, Mr. Graft served as the founder and President of Triumph Land and Capital Management, LLC, where he oversaw the management of several multifamily and commercial real estate projects in receivership and led the acquisition of multiple pools of distressed debt secured by multifamily projects. Prior to Triumph, Mr. Graft worked for Fulbright & Jaworski, LLP (now Norton Rose Fulbright LLP) where he focused on distressed loan workouts. Mr. Graft also serves on the board of directors and as Vice Chairman of The Bank of the West of Thomas, Oklahoma. Mr. Graft received a bachelor of arts, *cum laude*, and a Juris Doctorate, *cum laude*, from Baylor University. Mr. Graft is a member of Young Presidents' Organization, and in 2014 he was recognized by the Dallas Business Journal with the 40 Under 40 award. Mr. Graft's extensive experience in business and finance qualify him to serve on our Board of Directors.



## **Table of Contents**

**Robert Dobrient** has served on our Board of Directors since 2010. He is founder and chief executive officer of Savoya, an industry-leading provider of chauffeured ground transportation services. Prior to establishing Savoya in 2000, Mr. Dobrient was cofounder and president of Max America, a same-day delivery and logistics firm that won *Inc.* 500 honors for three consecutive years in the early 1990s. In 1997, Max America was acquired by Dynamex, Inc., a publicly held leading consolidator in the time critical distribution industry. Mr. Dobrient is a member of the board of Grand Junction, a software-as-a-service platform that manages courier and local delivery programs. He is also a director of privately held Redaway, a medical waste transport and disposal company. Mr. Dobrient earned a bachelor of business administration from University of North Texas. He serves as a mentor and board member at Mercy Street, a program serving inner-city youths and their families. Mr. Dobrient's extensive business experience qualifies him to serve on our Board of Directors.

**Maribess L. Miller** has served on our Board of Directors since July 2014. Ms. Miller was a member of the public accounting firm PricewaterhouseCoopers LLP from 1975 until 2009, including serving as the North Texas Market Managing Partner from 2001 until 2009; as Southwest Region Consumer, Industrial Products and Services Leader from 1998 until 2001; and as Managing Partner of that firm's U.S. Healthcare Audit Practice from 1995 to 1998. Since 2010, Ms. Miller has served as a member of the board of directors and chair of the audit committee for Zix Corporation (NASDAQ:ZIXI). Ms. Miller is also a member of the board of directors and chair of the audit committee for Midmark Corp., a privately-held medical supply company. She was on the Texas State Board of Public Accountancy from 2009-2015, past Board Chair for the Texas Health Institute and serves on the boards of the TCU Neeley School of Business and the North Texas Chapter of the National Association of Corporate Directors. She graduated *cum laude* with a bachelor's degree in Accounting from Texas Christian University. Ms. Miller is a Certified Public Accountant. Ms. Miller's extensive business experience qualifies her to serve on our Board of Directors.

## **Executive Officers**

The following table sets forth information regarding individuals who are our executive officers.

| <b>Name</b>             | <b>Age</b> | <b>Position</b>  |
|-------------------------|------------|--|
| Aaron P. Graft          | 38         | Director, Vice Chairman, Chief Executive Officer & President |
| R. Bryce Fowler         | 62         | Executive Vice President, Chief Financial Officer, Treasurer |
| Raymond W. Sperring III | 38         | Executive Vice President                                     |
| Gail Lehmann            | 58         | Vice President, Secretary                                    |
| Adam D. Nelson          | 38         | Senior Vice President, General Counsel                       |
| Patricia L. Pittman     | 51         | Assistant Vice President, Controller                         |

A brief description of the background of each of our executive officers who is not also a director is set forth below.

**R. Bryce Fowler** has served as our executive vice president, chief financial officer and treasurer since 2010. He also serves as chief executive officer, president and public information officer of TBK Bank, SSB. Previously, Mr. Fowler was a partner in Cyma Fund Advisors, which managed a \$100 million capital investment in a leveraged mortgage-backed securities portfolio. He also served as a director, president and chief financial officer of Bluebonnet Savings Bank, FSB, a \$3+ billion Southwest Plan institution formed from the acquisition of 15 failed institutions in 1988. He was a member of the executive committee that led Bluebonnet through the acquisition and consolidation of these institutions, implemented and managed the government assistance agreement, expanded its state-wide lending operations to be national in scope and was one of the principal architects in the development and implementation of Bluebonnet's transition to a wholesale institution focused primarily in MBS investment strategies. Prior to that, Mr. Fowler was an auditor for David, Kinard & Company, working primarily on financial institution clients.

Mr. Fowler received a bachelor of business administration from the University of Texas Arlington and is a certified public accountant in Texas (license inactive).

---

**Table of Contents**

**Raymond W. Sperring III** has served as executive vice president since 2012. Previously, Mr. Sperring served as partner and chief investment officer for ten years at TriVest Residential LLC, a real estate investment firm. While at TriVest, he was directly responsible for over \$850 million in capital transactions. Prior to TriVest, he worked in the development and asset management groups at the Archon Group, a real estate investment subsidiary of Goldman Sachs. Mr. Sperring received a bachelor of arts in finance and management information systems from Baylor University and is a chartered financial analyst (CFA) charter holder.

**Gail Lehmann** has served as our vice president and secretary since 2010. She also serves as executive vice president, chief operating officer, chief information officer and secretary of TBK Bank, SSB. Previously, Ms. Lehmann served as corporate compliance officer and senior vice president of risk management for Bluebonnet Savings Bank, FSB, a \$3 billion wholesale thrift. Ms. Lehmann has been in the banking industry for more than 30 years and has experience in all facets of banking operations with particular emphasis on regulatory compliance, risk management, information technology and venture capital environments. She also has expertise in the area of property and subsidiary management. Ms. Lehmann received a bachelor of science, with a major in public administration/political science and a minor in criminal justice, from the University of Illinois.

**Adam D. Nelson** has served as our Senior Vice President and General Counsel since 2013. He also serves as Senior Vice President and General Counsel of Triumph Savings Bank and Senior Vice President, General Counsel and Chief Compliance Officer of Triumph Capital Advisors, wholly-owned subsidiaries of the Company. Mr. Nelson also serves as Vice President and Chief Compliance Officer of Trinitas Capital Management, LLC, an independent registered investment adviser, a position he has held since 2015. Previously, Mr. Nelson served as Vice President and Deputy General Counsel of ACE Cash Express, Inc., a financial services retailer. Prior to that, Mr. Nelson was an attorney with the firm of Weil Gotshal & Manges, LLP, where he focused on mergers and acquisitions, management led buyouts and private equity transactions. Mr. Nelson received a bachelor of arts in economics, *magna cum laude*, from Baylor University and a Juris Doctorate, *cum laude*, from Harvard Law School.

**Patricia L. Pittman** has served as our assistant vice president and controller since 2012 and previously served as executive vice president and chief financial officer of Triumph Savings Bank. Prior to this, she served as vice president of treasury for Lanelogic, Inc. (Caroffer), where she was responsible for the management of the company's accounting, finance and cash management functions, as well as human resources. Ms. Pittman also served as controller for Cyma Fund Advisors, an investment fund with \$100 million of capital under management with a \$1.3 billion leverage investment portfolio. Her banking experience also includes 15 years with Bluebonnet Savings, FSB, where her responsibilities included management of the accounting and back office operations in support of investment portfolio, funding and hedging activities. She has direct experience in preparation of interest rate risk measurements, financial forecasts and budgets, cash management, wholesale funding and reporting for the Board of Directors. Ms. Pittman received a bachelor of business administration in accounting from the University of Texas at Arlington. She is also a certified public accountant.

**Table of Contents**

**CORPORATE GOVERNANCE**

**Board of Directors Meetings**

During 2015, the Board of Directors held eight meetings. No director attended fewer than 75% of the aggregate total meetings of the respective Board of Directors and the committees on which such director served during 2015.

The Board of Directors has determined that with the exception of Aaron P. Graft, Douglas M. Kratz and Carlos M. Sepulveda, Jr., each of our current directors is an independent director under the rules of the NASDAQ and the SEC.

**Board Committees**

Our Board of Directors has established standing committees in connection with the discharge of its responsibilities. These committees include the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The Board of Directors also maintains a Finance Committee and a Risk Management Committee. Our Board of Directors also may establish such other committees as it deems appropriate, in accordance with applicable law and regulations and our corporate governance documents.

*Audit Committee.* Our Audit Committee is composed of Michael P. Rafferty (chair), Derek R. McClain, and Maribess L. Miller. The Audit Committee assists the Board of Directors in fulfilling its responsibilities for general oversight of the integrity of our financial statements, compliance with legal and regulatory requirements, the independent auditors qualifications and independence, the performance of our internal audit function and independent auditors, and risk assessment and risk management. Among other things, the Audit Committee:

annually reviews the Audit Committee charter and the committee's performance;

appoints, evaluates and determines the compensation of our independent auditors;

reviews and approves the scope of the annual audit, the audit fee and the financial statements;

reviews disclosure controls and procedures, internal controls, internal audit function and corporate policies with respect to financial information;

prepares the audit committee report to be included in our proxy statement;

oversees investigations into complaints concerning financial matters, if any; and

reviews other risks that may have a significant impact on our financial statements.

The Audit Committee works closely with management as well as our independent auditors. The Audit Committee has the authority to obtain advice and assistance from and receive appropriate funding to engage outside legal, accounting



or other advisors as the Audit Committee deems necessary to carry out its duties.

The Audit Committee is composed solely of members who satisfy the applicable independence and other requirements of the SEC and the NASDAQ for Audit Committees and each of whom is an audit committee financial expert as defined by the SEC and who meet the additional criteria for independence of audit committee members set forth in Rule 10A-3(b)(1) under the Exchange Act. The Audit Committee has adopted a written charter that among other things, specifies the scope of its rights and responsibilities. The charter is available on our website at [www.triumphbancorp.com](http://www.triumphbancorp.com). Our Audit Committee met ten times during 2015.

*Compensation Committee.* Our Compensation Committee is composed of Derek R. McClain (chair), Charles A. Anderson, Richard Davis, Robert Dobrient and Justin N. Trail. The Compensation Committee is responsible for discharging the Board of Directors' responsibilities relating to compensation of the executives and directors. Among other things, the Compensation Committee:

evaluates human resources and compensation strategies;

reviews and approves objectives relevant to executive officer compensation;

**Table of Contents**

evaluates performance and determines the compensation of the Chief Executive Officer in accordance with those objectives;

approves any changes to non-equity based benefit plans involving a material financial commitment;

to the extent required for us by SEC rules, prepares the compensation committee report to be included in our annual report; and

evaluates performance in relation to the Compensation Committee charter.

The Compensation Committee is composed solely of members who satisfy the applicable independence requirements of the SEC and the NASDAQ. The Compensation Committee has adopted a written charter that, among other things, specifies the scope of its rights and responsibilities. The charter is available on our website at [www.triumphbancorp.com](http://www.triumphbancorp.com). Our Compensation Committee met five times during 2015.

*Nominating and Corporate Governance Committee.* Our Nominating and Corporate Governance Committee is composed of Maribess L. Miller (chair), Charles A. Anderson and Richard Davis. The Nominating and Corporate Governance Committee is responsible for making recommendations to our Board of Directors regarding candidates for directorships and the size and composition of our Board of Directors. In addition, the Nominating and Corporate Governance Committee is responsible for overseeing our corporate governance guidelines and reporting and making recommendations to our Board of Directors concerning governance matters. Among other things, the Nominating and Corporate Governance Committee:

identifies individuals qualified to be directors consistent with the criteria approved by the Board of Directors and recommends director nominees to the full Board of Directors;

ensures that the Audit and Compensation Committees have the benefit of qualified independent directors;

makes recommendations to the Board of Directors regarding the compensation of directors of the Company;

oversees management continuity planning;

leads the Board of Directors in its annual performance review; and

takes a leadership role in shaping the corporate governance of our organization.

The Nominating and Corporate Governance Committee is composed solely of members who satisfy the applicable independence requirements of the SEC and the NASDAQ. The written charter for our Nominating and Corporate Governance Committee is available on our website at [www.triumphbancorp.com](http://www.triumphbancorp.com). Our Nominating and Corporate Governance Committee met five times during 2015.

*Risk Management Committee.* Our Risk Management Committee is composed of Douglas M. Kratz (chair), Aaron P. Graft, Robert Dobrient, Michael P. Rafferty and Derek R. McClain. The Risk Management Committee is responsible for assisting the Board of Directors in the assessment of risk across the Company and its subsidiaries. Among other things, the Risk Management Committee:

reviews and implements the Company's enterprise risk assessment program as set forth in its enterprise risk management policy as in place from time to time as adopted by our Board of Directors;

reviews and recommends changes to the Company's enterprise risk management policy to our Board of Directors; and

provides updates to our Board of Directors regarding its review of the risks facing the Company and its subsidiaries and its discussions with management on such risks and the steps being taken to mitigate such risks.

## **Table of Contents**

The Risk Management Committee is composed of a majority of members who satisfy the applicable independence requirements of the SEC and the NASDAQ. In addition, at least one member of the Risk Management Committee shall be a member of the Company's Audit Committee. The written charter for our Risk Management Committee is available on our website at [www.triumphbancorp.com](http://www.triumphbancorp.com). Our Risk Management Committee met three times during 2015.

*Finance Committee.* Our Finance Committee is composed of Carlos M. Sepulveda, Jr. (chair), C. Todd Sparks, Aaron P. Graft, Charles A. Anderson and Robert Dobrient. The Finance Committee is responsible for assisting in our Board of Directors in overseeing the Company's capital structure, capital management strategy, investments, acquisitions, divestitures, securities issuances and related policies. Among other things, the Finance Committee:

reviews the capital plan and cash position of the Company and provides advice and guidance on the sources and uses of capital and expected returns on capital deployed;

reviews the Company's share repurchase activities and plans and recommends to our Board of Directors any share repurchase programs deemed necessary or advisable;

reviews and make recommendations to our Board of Directors with respect to the Company's dividend policy;

reviews proposed mergers, acquisitions, joint ventures and divestitures involving the Company and its subsidiaries and makes recommendations to our Board of Directors;

approves and monitors lending and investment activity by the Company within the authority granted to it under the Company's lending and investment policies as in place from time to time as adopted by our Board of Directors; and

reviews and makes recommendations to our Board of Directors with respect to the issuance of equity and debt securities by the Company, any guarantees of subsidiaries' securities by the Company, the offering terms of such securities, and the Company's material credit facilities.

The Finance Committee is composed of a majority of members who satisfy the applicable independence requirements of the SEC and the NASDAQ. The written charter for our Finance Committee is available on our website at [www.triumphbancorp.com](http://www.triumphbancorp.com). Our Finance Committee met four times during 2015.

## **Code of Business Conduct and Ethics**

Our Board of Directors has adopted a code of business conduct and ethics (our Code of Ethics) that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. The Code of Ethics is available upon written request to Corporate Secretary, Triumph Bancorp, Inc., 12700 Park Central Drive, Suite 1700, Dallas, Texas 75251. If we amend or grant any waiver of a provision of our Code of Ethics that applies to our executive officers, we will publicly

disclose such amendment or waiver on our website and as required by applicable law, including by filing a Current Report on Form 8-K.

### **Board Leadership Structure and Risk Oversight**

Different individuals serve as our Chief Executive Officer and Chairman because our Board of Directors has determined that the separation of these offices enhances our Board of Directors' independence and oversight. Moreover, the separation of these roles allows our Chief Executive Officer to better focus on his growing responsibilities of running the Company, enhancing stockholder value and expanding and strengthening the Company's franchise while allowing the Chairman to lead our Board of Directors in its fundamental role of providing advice to and independent oversight of management. Consistent with this determination, Carlos M. Sepulveda, Jr., serves as Chairman of our Board of Directors, and Aaron P. Graft serves as our Chief Executive Officer and President.

## **Table of Contents**

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including credit, interest rate, liquidity, operational, strategic and reputation risks. Management is responsible for the day-to-day management of risks the Company faces, while the Board of Directors, as a whole and through its committees, including its Risk Management Committee, has responsibility for the oversight of risk management. In its risk oversight role, the Board of Directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. The Chairman of the Board of Directors and independent members of the Board of Directors work together to provide strong, independent oversight of the Company's management and affairs through its standing committees and, when necessary, special meetings of independent directors.

## **Compensation Committee Interlocks and Insider Participation**

No members of our Compensation Committee are or have been an officer or employee of Triumph or any of our subsidiaries. In addition, none of our executive officers serves or has served as a member of the Board of Directors, compensation committee or other board committee performing equivalent functions of any entity that has one or more executive officers serving as one of our directors or on our Compensation Committee.

## **Nomination of Directors**

With respect to directors not nominated by Triumph, the Board of Directors identifies nominees by first evaluating the current members of the Board of Directors willing to continue in service. Current members of the Board of Directors with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination. If any member of the Board of Directors does not wish to continue in service or if the Board of Directors decides not to re-nominate a member for re-election, the Board of Directors then identifies the desired skills and experience of a new nominee in light of the criteria below. Current members of the Board of Directors are polled for suggestions as to individuals meeting the criteria below. The Board of Directors may also engage in research to identify qualified individuals. In evaluating a director nominee, the Board of Directors considers the following factors:

the appropriate size of our Board of Directors;

our needs with respect to the particular talents and experience of our directors;

the nominee's knowledge, skills and experience, including experience in finance, administration or public service, in light of prevailing business conditions and the knowledge, skills and experience already possessed by other members of the Board of Directors;

whether the nominee is independent, as that term is defined under the NASDAQ listing standards;

the familiarity of the nominee with our industry;

the nominee's experience with accounting rules and practices; and

the desire to balance the benefit of continuity with the periodic injection of the fresh perspective provided by new Board of Directors members.

Our goal is to assemble a Board of Directors that brings together a variety of perspectives and skills derived from high quality business and professional experience. In doing so, the Board of Directors will also consider candidates with appropriate non-business backgrounds.

Other than the foregoing, there are no stated minimum criteria for director nominees. The Board of Directors may also consider such other factors as it may deem in our best interests and the best interests of our stockholders. We also believe it may be appropriate for key members of our management to participate as members of the Board of Directors.

## **Table of Contents**

Stockholders may nominate directors for election to the Board of Directors. In order to nominate a director for election to the Board of Directors, stockholders must follow the procedures set forth in our Bylaws, including timely receipt by the Secretary of Triumph of notice of the nomination and certain required disclosures with respect both to the nominating stockholder and the recommended director nominee.

Directors may be elected by a plurality of votes at any meeting called for the election of directors at which a quorum is present. The presence of a majority of the holders of our Common Stock, whether in person or by proxy, constitutes a quorum. The Board of Directors did not receive any recommendations from stockholders requesting that the Board of Directors consider a candidate for inclusion among the nominees in our Proxy Statement for this Annual Meeting. The absence of such a recommendation does not mean, however, that a recommendation would not have been considered had one been received.

## **Stockholder Communications with the Board of Directors**

Every effort is made to ensure that the Board of Directors or individual directors, as applicable, hear the views of stockholders and that appropriate responses are provided to stockholders in a timely manner. Any matter intended for the Board of Directors, or for any individual member or members of the Board of Directors, should be directed to Adam D. Nelson, our General Counsel, with a request to forward the matter to the intended recipient. All such communications will be forwarded unopened.

## **Director Attendance at Annual Meeting of Stockholders**

We encourage all incumbent directors, as well as all nominees for election as director, to attend the Annual Meeting of Stockholders, although we recognize that conflicts may occasionally arise that will prevent a director from attending an annual meeting. Seven of our eleven then serving directors attended our 2015 annual meeting.



**Table of Contents****DIRECTOR AND EXECUTIVE OFFICER COMPENSATION**

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 applicable to other public companies that are not emerging growth companies. These include, but are not limited to, reduced narrative and tabular disclosure obligations regarding executive compensation. Our management and Board of Directors appreciate the desire of our stockholders to understand our executive compensation programs. In addition to our narrative and tabular disclosure which is intended to comply with the requirements applicable to emerging growth companies, we have elected to include further narrative disclosure to provide stockholders with context on our executive compensation program.

Our named executive officers ( NEOs ) for the fiscal year ended December 31, 2015, consist of our principal executive officer and two other most highly compensated executive officers: (i) Aaron P. Graft, Director, Vice Chairman, Chief Executive Officer and President; (ii) R. Bryce Fowler, Executive Vice President, Chief Financial Officer and Treasurer; and (iii) Gail Lehmann, Vice President and Secretary.

**Summary Compensation Table for 2015**

The following summary compensation table provides information regarding the compensation of our NEOs for our fiscal years ended December 31, 2015 and 2014.

| Name and Principal Position                  | Year | Salary<br>(\$) <sup>(1)</sup> | Bonus<br>(\$) <sup>(2)</sup> | Stock Awards<br>(\$) <sup>(3)</sup> | Change in Pension Value and Non-qualified Deferred Compensation |               |                                     |                         | All Other Compensation<br>(\$) <sup>(4)</sup> | Total<br>(\$) |
|--|------|-------------------------------|------------------------------|-------------------------------------|---|---------------|-------------------------------------|-------------------------|---|---------------|
|  |      |                               |                              |                                     | Stock Awards  | Option Awards | Non-qualified Deferred Compensation | Change in Pension Value |   |               |
| Aaron P. Graft                               | 2015 | 385,000                       | 385,000                      | 89,290                              |   |               |                                     |                         | 67,080  | 926,370       |
| Director, Vice Chairman,<br>CEO & President  | 2014 | 385,000                       | 161,700                      | 485,407                             |   |               |                                     |                         | 41,637  | 1,073,744     |
| R. Bryce Fowler                              | 2015 | 275,000                       | 275,000                      | 49,491                              |   |               |                                     |                         | 27,583  | 627,074       |
| Executive Vice President,<br>CFO & Treasurer | 2014 | 275,000                       | 115,500                      | 483,604                             |   |               |                                     |                         | 27,900  | 902,004       |
| Gail Lehmann                                 | 2015 | 240,000                       | 181,000                      | 35,991                              |   |               |                                     |                         | 10,600  | 467,591       |
| Vice President & Secretary                   | 2014 | 240,000                       | 84,000                       | 302,675                             |   |               |                                     |                         | 9,600   | 636,275       |

(1) Reflects actual base compensation paid during the applicable fiscal year.

(2) Reflects a discretionary cash bonus earned for the fiscal year.

(3)

Reflects the full grant date value of restricted stock granted to each of our NEOs computed in accordance with ASC 718. Generally, the full grant date fair value is the amount we will expense in our financial statements over an award's vesting period as further described in Note 19 to our Annual Report on Form 10-K for the Fiscal Year ended December 31, 2015, filed with the SEC on February 26, 2016. The values of stock awards presented for our fiscal year ended December 31, 2015 are based on a fair market value of \$13.50 per share of our Common Stock for grants made on April 1, 2015, which was the closing price of our Common Stock on the NASDAQ Global Select Market as of such date. The values of stock awards presented for our fiscal year ended December 31, 2014 are based on a fair market value of \$13.87 per share of our Common Stock for grants made April 1, 2014 (which were subsequently vested in full by our Board of Directors on August 1, 2014 in anticipation of our initial public offering), and \$14.71 per share of our Common Stock for grants made on December 1, 2014, which was the closing price of our Common Stock on the NASDAQ Global Select Market as of such date.

(4) Includes the following amounts paid to or on behalf of the NEOs in fiscal year 2015:

| Name            | Triumph Savings Bank<br>Contribution to Defined | Car<br>Allowance | Club<br>Memberships | Cash                     | Total  |
|-----------------|---|------------------|---------------------|--------------------------|--------|
|                 | Contribution<br>Plan<br>(\$)                    |                  |                     | Director<br>Fees<br>(\$) |        |
| Aaron P. Graft  | 10,600  | 6,000            | 7,980               | 42,500                   | 67,080 |
| R. Bryce Fowler | 10,083  |                  |                     | 17,500                   | 27,583 |
| Gail Lehmann    | 10,600  |                  |                     |                          | 10,600 |

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End for 2015**

| Name            | Stock Awards as of December 31, 2015                 |   |
|-----------------|--|---|
|                 | Number of Shares<br>of Stock that<br>have not Vested | Market Value of Shares of<br>Stock that have<br>not Vested<br>(\$) <sup>(4)</sup> |
| Aaron P. Graft  | 16,614 <sup>(1)</sup>                                | 274,131   |
| R. Bryce Fowler | 13,666 <sup>(2)</sup>                                | 225,489   |
| Gail Lehmann    | 8,777 <sup>(3)</sup>                                 | 144,821   |

- (1) Includes 10,000 shares which will vest on December 31, 2016, and 6,614 shares, one third of which will vest on April 1 of each of 2016, 2017 and 2018. Vesting of all such shares of restricted stock may be accelerated upon termination of employment for death or disability, or upon a change of control (as defined in our 2014 Omnibus Incentive Plan).
- (2) Includes 10,000 shares which will vest on December 31, 2016, and 3,666 shares, one third of which will vest on April 1 of each of 2016, 2017 and 2018. Vesting of all such shares of restricted stock may be accelerated upon termination of employment for death or disability, or upon a change of control (as defined in our 2014 Omnibus Incentive Plan).
- (3) Includes 6,111 shares which will vest on December 31, 2016, and 2,666 shares, one third of which will vest on April 1 of each of 2016, 2017 and 2018. Vesting of all such shares of restricted stock may be accelerated upon termination of employment for death or disability, or upon a change of control (as defined in our 2014 Omnibus Incentive Plan).
- (4) The market values for the outstanding stock awards presented as of December 31, 2015, are based on a fair market value of our Common Stock of \$16.50 per share as of December 31, 2015, which was the closing price of our Common Stock on the NASDAQ Global Select Market on such date.

**Equity Compensation Plan Information**

The following table provides certain information with respect to all of our equity compensation plans in effect as of December 31, 2015.

| Plan category | Number of securities to be<br>issued upon<br>exercise of<br>outstanding<br>options,<br>warrants and<br>rights |     | Weighted-average exercise<br>price of outstanding options,<br>warrants and<br>rights | Number of securities<br>remaining available for<br>future issuance<br>under<br>equity compensation plans<br>(excluding<br>securities<br>reflected in<br>column (a)) |
|---------------|---|-----|--|---|
|               | (a)   | (b) |  | (c)   |
|               |   | \$  |  | 747,333   |

Equity compensation plans  
approved by security holders

Equity compensation plans not  
approved by security holders

|       |    |         |
|-------|----|---------|
| Total | \$ | 747,333 |
|-------|----|---------|

## Narrative Discussion of Summary Compensation Table

### *Overview*

We compensate our NEOs through a mix of base salary, cash incentive bonuses, equity awards made under our 2014 Omnibus Incentive Plan, and other benefits. In designing and approving our compensation plans for our NEOs, we seek to provide such individuals with total annual compensation that is both reasonable and competitive within our markets, appropriately reflects our performance and the executive's particular contributions to that performance, and that takes into account applicable regulatory guidelines and practices.

## **Table of Contents**

Our compensation package for our NEOs during 2015 reflected a transition from our previous compensation practices, which were developed to fit our historical status as a privately held corporation, to a structure that aligns our practices with our new status as a publicly held company. Historically, including during 2015, our NEOs received discretionary bonuses as approved by our Compensation Committee (the Committee), taking into account a holistic assessment of the Company's financial and strategic performance during the year, as well as the executive's individual performance and contributions. Prior to 2015, a portion of these discretionary bonuses (historically 70% for our NEOs) was paid to the executive officers in cash, and a portion of these bonuses (historically 30% for our NEOs) was paid in the form of an award of restricted stock which was granted during the following fiscal year.

Beginning in 2016, our NEOs will be eligible to receive incentive compensation through participation in (i) an annual incentive program implemented as part of our Senior Executive Incentive Plan that provides the opportunity to receive an annual cash incentive award that will be determined by reference to Company performance metrics achieved during the fiscal year as approved and determined by the Committee, and (ii) a new long-term incentive program that provides the opportunity to receive annual stock awards under our 2014 Omnibus Incentive Plan (anticipated to be one-half stock options and one-half restricted stock, each with a four year vesting schedule) designed to align our executives' incentives with the Company's long-term growth and performance. We believe the creation of a formal long-term incentive program (and the separation of our equity award program from the annual cash incentive process) will create a more balanced program and help mitigate potential excessive risk taking, as a substantial portion of the total compensation for our leaders will be independent of year-to-year performance and realizable only through the creation of long-term value.

During 2015, the Committee engaged Meridian Partners, LLC (Meridian), as its independent consultant, to assist with the review and establishment of our compensation programs and practices. In connection therewith, Meridian (i) conducted a review of the marketplace trends and best practices relating to competitive pay levels and program design, (ii) assisted the Committee with the identification and approval of an appropriate peer group against which to benchmark its compensation practices, and (iii) advised the Committee with respect to the establishment of its 2016 compensation framework as described above and the implementation of our 2015 NEO compensation package as we transition to such framework.

### ***Base Salary***

We provide our NEOs base salaries to compensate them for services rendered during the fiscal year and reflect each NEO's position, specific skills, tenure, experience, responsibilities and performance. Base salaries of our NEOs have historically been reviewed and set annually by the Committee as part of the Company's annual performance review process as well as upon the promotion of an executive officer or other change in job responsibility. In 2015, the Committee engaged Meridian to conduct a study of its base salaries as compared to the Company's peer group. The Committee's philosophy is to target base salaries at market median with variation reflective of each executive's unique role and performance. The Committee has full discretion to set NEO salaries at any level it deems appropriate. As part of its determination process, the Committee solicits the recommendations of Mr. Graft as to NEOs other than himself. In determining the base salaries relative to peer group for Mr. Fowler, the Committee considered Mr. Fowler's role as President of TBK Bank, SSB in addition to his roles of Chief Financial Officer for each of TBK Bank, SSB and the Company. In 2015, the Committee did not approve any changes to base salaries for our NEOs compared to 2014.

### ***Cash Bonuses***

Historically, the Committee has approved cash bonuses to our NEOs on a discretionary basis after evaluating the Company's financial performance during the prior year, its achievement of strategic objectives and the executive's personal performance. In 2015 the Committee followed this historical approach and considered numerous factors in

making this evaluation, including the Company's earnings, performance to budget and return on equity. In addition, the Committee also considered the contributions of our NEOs in the

-17-

## **Table of Contents**

Doral Money, Inc. acquisition, which generated a total bargain purchase gain for the Company of \$15.1 million. In connection with such acquisition, the Committee approved the accrual of \$1.75 million in anticipation of bonuses to be paid in consideration of the efforts of specified executives in connection with the transaction. A portion of this accrual was paid to our NEOs as part of their annual bonus and is included in the total set forth in the 2015 Summary Compensation Table above. Due to the Company's transition to annual equity awards for 2016 under its long-term incentive program as discussed below, pursuant to which the Company anticipates making its initial awards for the 2016 program year on April 1, 2016, the Company did not follow its prior practice of paying a portion of its discretionary bonus in stock and a portion in cash for 2015, instead paying the full amount of such approved bonus for 2015 in cash.

As discussed above, in 2016 and in future years, the Committee anticipates compensating NEOs for achievement of annual performance goals under its annual incentive program. As part of this program, the Committee has approved a target bonus for each of our NEOs as a percentage of his or her base salary for 2016 which will be payable in cash based on achievement of performance goals during the 2016 fiscal year. These percentages for 2016 are 50% for Mr. Graft, 45% for Mr. Fowler and 40% for Ms. Lehmann. Payment of 2016 bonuses will be based on achievement of performance goals relating to return on assets, non-performing assets to total assets and net charge offs to total loans. The 2016 bonus payment for each NEO will equal between 0% and 150% of the target bonus, with the applicable percentage determined based on the actual level of achievement of the performance goals. In addition, the Committee retains the flexibility to vary the total calculated incentive payment for each executive plus or minus 30% to take into account individual performance or unique circumstances. The Company believes this compensation framework will more directly incentivize the performance of our NEOs with respect to the achievement of the goals that have been determined by the Committee to be most impactful to the overall financial performance of the Company.

### ***Equity Awards***

The Committee considers equity awards for our NEOs as an essential component to align the interests of such officers with our stockholders to create long term value and growth at the Company. As noted above, historically the Company has made equity awards to our NEOs by paying a portion of their approved annual bonus (which has generally been 30% of such bonus amount for our NEOs) for a fiscal year in the form of restricted stock (typically granted in April of the following year). Because these equity awards are valued as of the date of grant, the amount set forth in the 2015 Summary Compensation Table for each of our NEOs above reflects equity awards granted in April of 2015 determined as a percentage of their 2014 bonus amounts. These historical grants (including the awards identified above) have been made in restricted stock that vest one-third on each of the first three anniversaries of the grant date.

In 2016 and in future years, we anticipate making equity grants to our executives under a long term incentive program whereby the grant date value of each executive's annual grants is equal to a percentage of the executive's base salary. These percentages for 2016 are 45% for Mr. Graft, 40% for Mr. Fowler and 35% for Ms. Lehmann. In addition, these percentages may be increased plus or minus 30% for any grant year by the Committee to account for unique situations or individual circumstances related to the particular executive. Such grants are anticipated to be made one half in restricted stock and one half in stock options, each vesting one fourth each year on each of the first four anniversaries of the date of grant. The Committee approved the initial grants to be effective under its long term incentive program for the 2016 program year as of April 1, 2016. The Company believes that the equity awards contemplated under its long term incentive program will further align the interests of our NEOs and our stockholders and improve the mix of the total compensation for such officers represented by pay-for-performance compensation, in particular long-term performance compensation achieved through equity appreciation at the Company.

### ***Perquisites and Other Compensation***

Our NEOs receive various perquisites provided by or paid for by us that we believe are reasonable, competitive and consistent with the Company's overall compensation philosophy. In 2015, these perquisites



## **Table of Contents**

included (in the case of Mr. Graft) a car allowance and country club dues. In addition, Mr. Graft and Mr. Fowler received separate board fees for their service as directors of the Company (Mr. Graft) and its subsidiary bank (Mr. Graft and Mr. Fowler). The Company determined to cease paying Messrs. Graft and Fowler separate board fees commencing in 2016. Our NEOs were also eligible for a 401(k) employer match on the same terms as all other employees of the Company.

The Committee reviews the perquisites provided to its NEOs on a regular basis to evaluate whether they continue to be appropriate in light of the Committee's overall goal of designing a competitive compensation program for NEOs that is aligned with the interests of our stockholders. Attributed costs of the personal benefits described above for our NEOs for the fiscal year ended December 31, 2015 are included in the All Other Compensation column of the 2015 Summary Compensation Table above.

## **Compensation Procedures**

### ***Role of Management***

The Committee made all 2015 compensation decisions for our NEOs. Mr. Graft annually reviews the performance of each of the Company's and its subsidiaries' executive officers (other than Mr. Graft, whose performance is reviewed by the Committee). The conclusions reached and the compensation recommendations based on these reviews, including with respect to salary adjustments and bonuses, were presented to the Committee. The Committee exercised its discretion in modifying any recommended adjustment or award.

### ***Compensation Committee Process***

During 2015, the Committee reviewed both the Company's compensation philosophy and the actual compensation being paid by the Company. The Committee met, including in executive sessions without any members of management present, to discuss, evaluate and set executive officer compensation. In setting compensation for each of the NEOs, the Committee focused on the total compensation received by each NEO, as well as the allocation of each element of compensation in relation to those provided by its peer companies identified above. The Committee acted pursuant to a written charter that had been approved by our Board.

### ***Compensation Consultants***

The Committee has the sole authority to retain and dismiss its own outside compensation consultants and any other advisors it deems necessary. The role of a compensation consultant is to assist the Committee in analyzing executive compensation packages and to provide the Committee with information regarding market compensation levels, general compensation trends and best practices. The consultant also provides advice regarding the competitiveness of specific pay decisions and actions for our NEOs, as well as the appropriateness of the design of the Company's executive compensation programs. In 2015, the Committee engaged Meridian to perform a review of our executive compensation practices, assist in the determination of a peer group against which to benchmark the Company's compensation, and to develop a new compensation framework which the Company is implementing in 2016. As part of this process, Meridian advised the Committee on 2015 compensation and bonus payments in light of the transition to the Company's annual incentive program and long term incentive program for 2016. Meridian attended meetings of the Committee, including executive sessions, upon invitation. Meridian did not provide any other services to the Company. The Committee has assessed the independence of Meridian pursuant to the rules of the SEC and concluded that Meridian's work for the Committee did not raise any conflicts of interest.

## **Employment Agreements**

For the year ended December 31, 2015 our NEOs were parties to employment agreements entered into with our wholly-owned subsidiary bank, TBK Bank, SSB (f/k/a Triumph Savings Bank, SSB). The following is a summary of the material terms of such agreements.

## **Table of Contents**

The employment agreements provide for three-year terms, subject to automatic renewal for additional one-year terms, unless any party to the agreement provides no less than 60 days' notice prior to the expiration of the applicable term or unless terminated earlier pursuant to the terms of the applicable employment agreement.

The employment agreements provide for an annual base salary of \$245,000, \$225,000 and \$215,000 (which have been increased in the discretion of the Board of Directors to the salaries set forth in the table above) for Mr. Graft, Mr. Fowler and Ms. Lehmann, respectively. Subject to the final absolute discretion of the Compensation Committee and/or Triumph Savings Bank's Board of Directors (which authority has subsequently been delegated to our Compensation Committee), our NEOs may be entitled to a discretionary cash bonus. The cash bonus is allocated such that 50% is paid in the form of cash and 50% is paid in the form of restricted stock (which is subject to adjustment by the Board of Directors (which authority has subsequently been delegated to our Compensation Committee) and which has historically been adjusted to provide for 70% cash and 30% restricted stock). The NEOs are also eligible to participate in employee benefits plans as determined by Triumph Savings Bank. Mr. Graft is further entitled to a company automobile or monthly car allowance, dues and costs for professional organizations in which Mr. Graft's participation enhances the reputation of the Company, and monthly dues for a membership at a country club of Mr. Graft's choice, all as approved by the Personnel Committee. Ms. Lehmann is entitled to reimbursement for any out-of-pocket premiums paid by Ms. Lehmann to maintain her private health insurance, capped at the amount that Triumph Savings Bank would have paid if Ms. Lehmann had participated in the health plan provided to all employees of Triumph Savings Bank.

If any of the NEOs' employment is terminated by Triumph Savings Bank other than for cause (as defined below), due to death or total disability (as defined below), due to resignation as a result of a reduction in annual base salary of more than 20% (unless such reduction is applied to all executive officers, or alternatively is suggested by the executive), as a result of the expiration of the applicable term of employment due to non-renewal by Triumph Savings Bank, for any reason concurrent with a change of control (as defined below), or if, in connection with a change of control, the NEO is not offered substantially the same position, duties, compensation, and benefits as exist as of the date of a change of control by a successor then such NEO is entitled to (i) accrued expenses, (ii) an amount equal to one times base salary, payable in a lump sum, and (iii) twelve months of welfare benefit continuation. Receipt of severance is subject to execution (and non-revocation) of a general release of claims and is subject to regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over Triumph Savings Bank and its affiliates (including 12 C.F.R. Part 359).

In the event that, in connection with a change of control, Mr. Fowler or Ms. Lehmann is offered a position by a successor with substantially the same position, duties, compensation, and benefits as exist as of the date of a change of control, but the applicable NEO elects not to continue employment with such successor, such NEO is entitled to (i) accrued expenses, (ii) an amount equal to one-half times base salary, payable in a lump sum, and (iii) six months of welfare benefit continuation.

Upon termination of employment by Triumph Savings Bank for cause, the NEOs are entitled to accrued expenses only.

In the event that any of the NEOs receives payments or benefits in connection with a change in control such that an excise tax imposed by Section 4999 of the Code applies, such NEO is entitled to a gross-up payment in an amount such that, after payment of all taxes (including interest and penalties imposed with respect thereto), such NEO retains an amount as if the excise tax did not apply.

The employment agreements provide for certain restrictive covenants including a perpetual confidentiality covenant, a return of company property covenant, and a one-year employee, supplier, material business relationship, investor (Mr.

Fowler only) and contractor non-solicitation covenant.

Change of Control is defined in the employment agreements as: (i) a reorganization, merger, consolidation or other corporate transaction involving Triumph Savings Bank, with respect to which the holders

-20-

## Table of Contents

of the voting securities of Triumph Savings Bank immediately prior to such transaction do not, immediately after the transaction, own more than 50% of the combined voting power of the reorganized, merged or consolidated entity's then outstanding voting securities; (ii) the sale, transfer or assignment of all or substantially all of the assets of Triumph Savings Bank; or (iii) the acquisition by any individual, entity or group, (a Person) within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended (the Exchange Act), or beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of Triumph Savings Bank where such acquisition causes any such Person to own 50% or more of the combined voting power of Triumph Savings Bank's then outstanding voting securities; *provided however*, that a change of control will not be deemed to have occurred if a Person becomes the beneficial owner of 50% of the combined voting power of Triumph Savings Bank's then outstanding voting securities solely as a result of the repurchase of voting securities by Triumph Savings Bank. An issuance of Common Stock by Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc., or any issuance of equity or debt by an affiliate of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc. (including an issuance that is registered with the SEC and any state securities board, or that is exempt from registration with the SEC and/or any state securities board pursuant to any federal or state law or regulation), including, but not limited to Triumph Consolidated Cos., LLC, Triumph Savings Bank, or any subsidiary thereof, to new investors pursuant to a plan adopted by the Board of Directors of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc., as part of its overall growth plan for Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc., and wherein a majority of the persons who were members of the Board of Directors of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc., preceding such capital offering remain after its completion will not constitute a change of control.

Cause, as defined in the employment agreements, is a good faith determination that the applicable NEO: (i) has misappropriated, stolen or embezzled funds or property from Triumph Savings Bank or an affiliate, or secured or attempted to secure personally any profit in connection with any transaction entered into on behalf of Triumph Savings Bank or any affiliate, (ii) has been convicted of a felony or entered a plea of *nolo contendere* which in the reasonable opinion of Triumph Savings Bank brings the executive into disrepute or is likely to cause material harm to Triumph Savings Bank's (or any of its affiliate's) business, customer or supplier relations, financial condition or prospects, (iii) has neglected his duties hereunder, (iv) has materially violated the confidentiality covenant in his employment agreement or (v) has willfully violated or breached any material provision of his employment agreement in any material respect or violated any material law or regulation.

Total Disability is defined in the employment agreements as the inability of the NEO, due to a physical or a mental condition, to perform the essential functions of such NEO's job, with or without accommodation, for any period of 180 consecutive days; *provided* that the return of the NEO to his or her duties for periods of 15 days or less will not interrupt such 180-day period.

On March 30, 2016, amended and restated employment agreements were executed with each of our NEOs, with retroactive effect to January 1, 2016. These amended and restated employment agreements were entered into in order to, among other items, (a) align such agreements with the Company's new incentive compensation programs for our NEOs, in particular our annual incentive program and long term incentive program, (b) amend the terms of such agreements regarding the impact of a change in control (as defined in such agreements) by providing for increased severance in the event of a qualifying termination (as defined in such agreements) at any time during the 24-month period following a change of control and (c) delete the provisions providing for a gross-up of the excise tax imposed by Section 280G and Section 4999 of the Internal Revenue Code on certain change in control-related payments and benefits, and replace such provisions with a better net after-tax cutback provision, pursuant to which the NEO's change in control-related payments and benefits will be reduced to the extent necessary to prevent any portion of such payments and benefits from becoming subject to the excise tax, but only if, by reason of that reduction, the net after-tax benefit received by the executive exceeds the net after-tax benefit that the executive would receive if no

reduction was made. Copies of the new amended and restated employment agreements with our NEOs, together with a summary of the terms of such agreements, were included in our Current Report on Form 8-K filed with SEC on March 30, 2016.

**Table of Contents****2015 Director Compensation**

In connection with their service on our Board of Directors in 2015, we compensated our directors through (i) an annual cash board retainer of \$20,000, plus an additional \$5,000 for our Chairman of the Board and (ii) a stock grant issued under our 2014 Omnibus Incentive Plan of 1,481 shares (resulting in a grant date fair value of \$19,993.50), plus an additional 370 shares (resulting in a grant date fair value of \$4,995) issued to our Chairman of the Board. Such grants vest ratably over three years commencing on the first anniversary of the date of grant.

In addition, we paid (i) the members of our Audit Committee an annual cash retainer of \$10,000, plus an additional \$25,000 to our Audit Committee chair, (ii) the members of our Risk Committee an annual cash retainer of \$3,000, plus an additional \$7,000 to our Risk Committee chair, (iii) the members of our Compensation Committee an annual cash retainer of \$1,000, plus an additional \$9,000 to our Compensation Committee chair, (iv) the members of our Nominating and Corporate Governance Committee an annual cash retainer of \$1,000, plus an additional \$9,000 to our Nominating and Corporate Governance Committee chair, and (v) the members of our Finance Committee an annual cash retainer of \$1,000, plus an additional \$4,000 to our Finance Committee chair.

All cash retainers are paid quarterly (i.e. one-fourth of the annual retainer is paid to each director on the first day of each of our fiscal quarters or as soon as practicable thereafter).

In addition, those of our directors who also served on the board of directors of TBK Bank, SSB (or Triumph Savings Bank, SSB and Triumph Community Bank, N.A. prior to the merger of our subsidiary banks) also received compensation for such service, consisting of an annual cash retainer of \$16,000 for service on the board of such bank, an additional annual cash retainer of \$3,000 for service as chairman of the board, and additional cash retainers for service on committees (\$2,500 for being a member of the Executive Loan Committee, an additional \$2,500 for being an Executive Loan Committee chair, \$1,500 for being a member of the ALCO Committee and an additional \$1,000 for being an ALCO Committee chair). All annual cash retainers are paid quarterly (i.e. one-fourth of the annual retainer is paid to each director on the first day of each of our fiscal quarters or as soon as practicable thereafter).

For 2016, our Board of Directors, upon the recommendation of our Nominating and Corporate Governance Committee, approved compensation for our Board identical to our compensation arrangements for 2015, except that Board fees will not be paid to our employee directors during 2016.

The following table sets forth compensation paid, earned or awarded during 2015 to each of our directors. The table also includes compensation earned by each director that is attributable to such director's service on TBK Bank, SSB (or Triumph Savings Bank, SSB and Triumph Community Bank, N.A. prior to the merger of our subsidiary banks), as applicable.

| Name                | Fees Earned or    |                                  |  | Total Compensation |
|---------------------|-------------------|----------------------------------|--|--------------------|
|                     | Paid in Cash (\$) | Stock Awards (\$) <sup>(1)</sup> | All Other Compensation (\$) <sup>(2)</sup> |                    |
| Charles A. Anderson | 23,000            | 19,994                           |  | 42,994             |
| Richard Davis       | 22,000            | 19,994                           |  | 41,994             |
| Robert Dobrient     | 25,000            | 19,994                           |  | 44,994             |
| C. Todd Sparks      | 21,000            | 19,994                           | 21,000                                     | 61,994             |
| Justin N. Trail     | 21,000            | 19,994                           |  | 40,994             |

Edgar Filing: Triumph Bancorp, Inc. - Form DEF 14A

|                          |        |        |        |        |
|--------------------------|--------|--------|--------|--------|
| Michael P. Rafferty      | 58,000 | 19,994 |        | 77,994 |
| Maribess L. Miller       | 35,000 | 19,994 |        | 54,994 |
| Derek R. McClain         | 53,000 | 19,994 |        | 72,994 |
| Aaron P. Graft           | 24,000 | 19,994 | 18,500 | 62,494 |
| Douglas M. Kratz         | 30,000 | 19,994 | 18,500 | 68,494 |
| Carlos M. Sepulveda, Jr. | 30,000 | 24,999 | 21,500 | 76,499 |

-22-



**Table of Contents**

- (1) Valuation based on a per share price of our Common Stock on the grant date of April 1, 2015 of \$13.50, computed in accordance with ASC 718.
- (2) Reflects cash retainers received for service on the boards of directors and board committees of our subsidiary banks.

-23-

**Table of Contents**

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors and executive officers and any persons who own more than 10% of our Common Stock to file reports with the SEC with respect to their ownership of Common Stock. Directors, executive officers and persons owning more than 10% of our Common Stock are required to furnish us with copies of all Section 16(a) reports they file.

Based solely on our review of the copies of such reports received by us and any written representations from reporting persons that no other reports were required of those persons, we believe that during 2015 all such reports required to be filed by our directors and executive officers were filed in a timely manner.

**Table of Contents**

**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

**Review and Approval of Transactions with Related Persons**

Transactions by the Company or our subsidiaries with related parties are subject to a formal written policy, as well as regulatory requirements and restrictions. These requirements and restrictions include Sections 23A and 23B of the Federal Reserve Act (which govern certain transactions by our bank subsidiaries with their respective affiliates) and the Federal Reserve's Regulation O (which governs certain loans by our bank subsidiaries to their respective executive officers, directors and principal stockholders). We have adopted policies to comply with these regulatory requirements and restrictions.

In addition, our Board of Directors has adopted a written policy governing the approval of related party transactions that complies with all applicable requirements of the SEC and NASDAQ concerning related party transactions. Related party transactions are transactions in which we are a participant, the amount involved exceeds \$120,000 and a related party has or will have a direct or indirect material interest. Related parties of the Company include directors (including nominees for election as directors), executive officers, 5% stockholders and the immediate family members of these persons. Our General Counsel, in consultation with management and outside counsel, as appropriate, will review potential related party transactions to determine if they are subject to the policy. If so, the transaction will be referred to the Nominating and Corporate Governance Committee for approval. In determining whether to approve a related party transaction, the Nominating and Corporate Governance Committee will consider, among other factors, the fairness of the proposed transaction, the direct or indirect nature of the related party's interest in the transaction, the appearance of improper conflicts of interest for any director or executive officer taking into account the size of the transaction and the financial position of the related party, whether the transaction would impair an outside director's independence, the acceptability of the transaction to our regulators and the potential violations of other corporate policies. Our Related Party Transactions Policy is available on our website at [www.triumphbancorp.com](http://www.triumphbancorp.com), as an annex to our Corporate Governance Guidelines.

**Registration Rights**

On December 12, 2012, we issued a warrant to Triumph Consolidated Cos., LLC ( "TCC" ) for the purchase of 259,067 shares of our Common Stock (the "TCC Warrant" ). The TCC Warrant provides TCC with certain registration rights if we propose to register any of our capital stock in a public offering. TCC will have "piggy-back" registration rights that permit it to have shares of our Common Stock owned by it included in a registration statement, upon written notice to us within the prescribed time limit. We are not required to include these securities in any underwriting of shares, unless TCC accepts the terms of the underwriting agreed upon between the Company and its underwriters and in the quantity as the underwriters determine in their sole discretion. TCC waived all of its registration rights under the TCC Warrant in connection with our initial public offering.

**Ordinary Banking Relationships**

Certain of our officers, directors and 5% stockholders, as well as their immediate family members and affiliates, are customers of, or have or have had transactions with, our bank subsidiaries or the Company in the ordinary course of business. These transactions include deposits, loans, wealth management products and other financial services related transactions. Related party transactions are made in the ordinary course of business, on substantially the same terms, including interest rates and collateral (where applicable), as those prevailing at the time for comparable transactions with persons not related to us and do not involve more than normal risk of collectability or present other features unfavorable to us. As of the date of this proxy, no related party loans were categorized as nonaccrual, past due, restructured or potential problem loans. We expect to continue to enter into transactions in the ordinary course of

business on similar terms with our officers, directors and 5% stockholders, as well as their immediate family members and affiliates.

-25-

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth the amount and percent of shares of Common Stock that as of March 18, 2016 are deemed under the rules of the SEC to be beneficially owned by each member of our Board of Directors, by each nominee for election to our Board of Directors, by each of our executive officers, by all of our directors and executive officers as a group, and by any person or group (as that term is used in the Exchange Act) known to us to be a beneficial owner of more than 5% of the outstanding shares of Common Stock as of that date. The information concerning the beneficial ownership of our directors and officers is based solely on information provided by those individuals. Unless otherwise stated, the beneficial owner has sole voting and investment power over the listed Common Stock or shares such power with his or her spouse. As of March 18, 2016, there were 18,018,089 shares of Common Stock outstanding.

Unless otherwise noted, the address for each stockholder listed on the table below is: c/o Triumph Bancorp, Inc., 12700 Park Central Drive, Suite 1700, Dallas, Texas 75251.

|  | <b>As of March 26, 2015</b>     |                             |
|--|---------------------------------|-----------------------------|
|  | <b>Number<br/>of<br/>Shares</b> | <b>Percent of<br/>Class</b> |
| <b>Name of Beneficial Owner</b>                                      |                                 |                             |
| <b>Greater than 5% stockholders</b>                                  |                                 |                             |
| Triumph Consolidated Cos., LLC <sup>(1)</sup>                        | 1,416,067                       | 7.77%                       |
| Basswood Capital Management, L.L.C.                                  | 1,045,355                       | 5.80%                       |
| <b>Matthew Lindenbaum</b>  |                                 |                             |
| Bennett Lindenbaum <sup>(2)</sup>                                    |                                 |                             |
| <b>Directors and Executive Officers</b>                              |                                 |                             |
| Carlos M. Sepulveda, Jr. <sup>(3)</sup>                              | 463,707                         | 2.57%                       |
| Douglas M. Kratz <sup>(4)</sup>                                      | 288,998                         | 1.59%                       |
| C. Todd Sparks <sup>(5)</sup>  | 280,186                         | 1.55%                       |
| Richard L. Davis <sup>(6)</sup>                                      | 195,263                         | 1.08%                       |
| Aaron P. Graft <sup>(7)</sup>  | 153,316                         | *                           |
| Charles Anderson <sup>(8)</sup>                                      | 119,322                         | *                           |
| Justin Trail <sup>(9)</sup>  | 72,619                          | *                           |
| Robert Dobrient <sup>(10)</sup>                                      | 56,902                          | *                           |
| R. Bryce Fowler <sup>(11)</sup>                                      | 48,300                          | *                           |
| Gail Lehmann <sup>(12)</sup>   | 24,774                          | *                           |
| Patricia L. Pittman <sup>(13)</sup>                                  | 16,609                          | *                           |
| Michael P. Rafferty <sup>(14)</sup>                                  | 15,372                          | *                           |
| Adam D. Nelson <sup>(15)</sup>                                       | 15,156                          | *                           |
| Derek R. McClain <sup>(16)</sup>                                     | 13,817                          | *                           |
| Raymond W. Sperring III <sup>(17)</sup>                              | 12,657                          | *                           |
| Maribess L. Miller <sup>(18)</sup>                                   | 10,481                          | *                           |
| <b>All directors and executive officers, as a group (16 persons)</b> | <b>1,787,479</b>                | <b>9.84%</b>                |

\* Indicates less than 1%.

- (1) Certain of our directors and executive officers, including Aaron P. Graft, Carlos M. Sepulveda, Jr., Charles A. Anderson, Justin N. Trail, C. Todd Sparks, Raymond W. Sperring III and Adam D. Nelson have a direct or indirect interest in TLCM Investments LLC ( TLCM ), which holds a profits interest in Triumph Consolidated Cos., LLC ( TCC ). The profits interest originally entitled TLCM to certain distributions depending on the internal rate of return to the members of TCC (other than TLCM). In connection with our initial public offering, TCC 's limited liability company agreement was amended such that, following the completion of the offering, the profits interest will entitle TLCM to distributions of the 1,250,000 shares of

## **Table of Contents**

our Common Stock (the "Hold Back Shares") not distributed by TCC to its members other than TLMC in connection with our initial public offering. For the first 180 days following our initial public offering (the "TCC Lock-Up Period"), TCC did not make any distributions. During the period commencing upon the completion of our initial public offering until the 36-month anniversary of the completion of the offering (the "Hold Back Period"), TCC will distribute the Hold Back Shares to TLMC in the event the volume weighted average price ("VWAP") of our Common Stock during any of the eleven consecutive three-month periods during the Hold Back Period ending on or after the Lock-Up Period exceeds a whole number from \$15.00 to \$50.00 according to a fixed schedule. The TCC Board of Directors will meet shortly following the end of each of the eleven consecutive three-month periods after the TCC Lock-Up Period to determine and approve the VWAP calculation and number of Hold Back Shares to be distributed in respect of such three-month period. At the expiration of the Hold Back Period, TCC will make a final distribution based on our Common Stock VWAP during the three months preceding the expiration date (which distribution will be determined and approved by the TCC Board of Directors). Any remaining Hold Back Shares not distributed to TLMC and the warrant held by TCC to purchase an additional 259,067 shares of our Common Stock at price of \$11.58 per share (the "TCC Warrant") (or the shares issued upon exercise of the TCC Warrant) will be distributed to the members of TCC other than TLMC at the end of the Hold Back Period. Additionally, each Hold Back Share distributed to the ultimate underlying owners of TLMC will be locked up for a period of 180 days following the date such shares are distributed. However, if a change in control of the Company occurs at any time during the Hold Back Period, any outstanding lockups will expire and a number of Hold Back Shares will be distributed at such time to TLMC based on the implied price of the change in control. The following individuals are directors of TCC: Carlos M. Sepulveda, Jr., Aaron P. Graft, Richard Davis, Justin N. Trail, Robert Dobrient, Charles A. Anderson, and C. Todd Sparks. Each of these individuals votes separately as one of seven members of TCC's board and none of such individuals own more than 10% of TCC's outstanding membership interests.

- (2) Consists of 1,045,355 shares of Common Stock beneficially owned by Basswood Capital Management, L.L.C., Matthew Lindenbaum and Bennett Lindenbaum. Based on information set forth in a Schedule 13G filed by such persons on February 11, 2016. The address of such persons is c/o Basswood Capital Management, L.L.C., 645 Madison Avenue, 10<sup>th</sup> Floor, New York, NY 10022.
- (3) Consists of (i) 306,830 shares of Common Stock held by Mr. Sepulveda directly, (ii) 155,026 shares of Common Stock held by Mr. Sepulveda together with his spouse, Susan M. Sepulveda, and (iii) 1,851 unvested shares of restricted Common Stock of the Company granted to Mr. Sepulveda on 4/1/15, of which 617 shares will vest on 4/1/16, 617 shares will vest on 4/1/17, and 617 shares will vest on 4/1/18.
- (4) Consists of (i) 138,662 shares of Common Stock held by Mr. Kratz directly, (ii) 1,481 unvested shares of restricted Common Stock of the Company granted to Mr. Kratz on 4/1/15, of which 493 shares will vest on 4/1/16, 493 shares will vest on 4/1/17 and 495 shares will vest on 4/1/18, (iii) 7,798 shares of Common Stock held for the benefit of Mr. Kratz by Wells Fargo Bank, National Association, pursuant to a holdback escrow agreement entered into in connection with the Company's acquisition of Triumph Community Bank in October 2013, and (iv) 141,057 shares of Common Stock Mr. Kratz has the right to acquire within 60 days through the conversion of 20,325 shares of our Series B Preferred Stock currently held by Mr. Kratz.
- (5) Consists of (i) 38,125 shares of Common Stock held by Mr. Sparks directly, (ii) 8,000 shares of Common Stock held through Merrill Lynch FBO Todd Sparks, (iii) 1,000 shares of Common Stock held through Merrill Lynch FBO Discovery Operating 401k of Todd Sparks, (iv) 1,481 unvested shares of restricted Common Stock of the Company granted to Mr. Sparks on 4/1/15, of which 493 shares will vest on 4/1/2016, 493 shares will vest on 4/1/17, and 495 shares will vest on 4/1/2018, (v) 206,309 shares of Common Stock beneficially owned by Mr. Sparks through SBS Equity, LLC, and (vi) 17,271 shares of Common Stock beneficially owned by Mr. Sparks through The Sparks Foundation, Inc., and (vii) 8,000 shares of Common Stock beneficially owned by Mr. Sparks through Sparco Market Fund. Mr. Sparks exercises voting and dispositive control over the shares of Common Stock held by each of SBS Equity, LLC, The Sparks Foundation, Inc., and Sparco Market Fund. Mr. Sparks disclaims beneficial ownership of such shares of Common Stock, except to the extent of his pecuniary

interest therein.

- (6) Consists of (i) 14,354 shares of Common Stock held by Mr. Davis directly, (ii) 1,481 unvested shares of restricted Common Stock of the Company granted to Mr. Davis on 4/1/15, of which 493 shares will vest on

-27-



## **Table of Contents**

- 4/1/2016, 493 shares will vest on 4/1/17, and 495 shares will vest on 4/1/2018, (iii) 46,998 shares of Common Stock held by Mr. Davis together with his spouse, Sheree Davis, (iv) 66,215 shares of Common Stock beneficially owned by Mr. Davis as trustee of the Rick Davis 2006 Family Trust and (v) 66,215 shares of Common Stock beneficially owned by Mr. Davis as trustee of the Sheree Davis 2006 Children's Trust. Mr. Davis disclaims beneficial ownership of such shares of Common Stock except to the extent of his pecuniary interest therein.
- (7) Consists of (i) 136,702 shares of Common Stock beneficially owned by Mr. Graft directly, (ii) 10,000 unvested shares of restricted Common Stock of the Company granted to Mr. Graft under the Company's 2014 Omnibus Incentive Plan on 12/1/14, which will vest on 12/1/16, and (iii) 6,614 unvested shares of restricted Common Stock of the Company granted to Mr. Graft on 4/1/15, of which 2,204 shares will vest on 4/1/2016, 2,204 shares will vest on 4/1/2017, and 2,206 will vest on 4/1/2018. Excludes 3,315 shares of Common Stock held by Mr. Graft's wife, Kimberly Graft through Goldman Sachs FBO Kimberly Graft Roth IRA.
- (8) Consists of (i) 103,841 shares of Common Stock of the Company beneficially owned by Mr. Anderson, (ii) 14,000 shares of Common Stock of the Company beneficially owned jointly with Mr. Anderson's spouse Kim Anderson, and (iii) 1,481 unvested shares of restricted granted to Mr. Anderson on 4/1/15 of which 493 shares will vest on 4/1/16, 493 will vest 4/1/17, and 495 shares will vest on 4/1/18.
- (9) Consists of (i) 25,687 shares of Common Stock held by Mr. Trail directly, (ii) 1,481 unvested shares of restricted Common Stock of the Company granted to Mr. Trail on 4/1/15, of which 493 shares will vest on 4/1/16, 493 shares will vest on 4/1/17, and 495 shares will vest on 4/1/18, (iii) 12,859 additional shares of Common Stock beneficially owned through Equity Trust Company Custodian FBO Justin Trail Sep IRA, (iv) 350 shares of Common Stock indirectly owned through E\*TRADE UTMA/UGMA Accounts FBO Mr. Trail's minor children, and (v) 32,242 shares of Common Stock beneficially owned through JTHT Enterprises, Ltd. Mr. Trail exercises voting and dispositive control over the shares of Common Stock held by JTHT Enterprises, Ltd. and by the UTMA/UGMA accounts of his minor children. Mr. Trail disclaims beneficial ownership of such shares of Common Stock, except to the extent of his pecuniary interest therein. Excludes 4,286 shares held by Mr. Trail's wife, Tamera Trail through Equity Trust Company Custodian FBO Tamera Trail IRA.
- (10) Consists of (i) 45,420 shares of Common Stock beneficially owned by Mr. Dobrient directly, (ii) 10,001 shares beneficially owned by Mr. Dobrient through Delta Trust and Bank, as custodian for Robert Dobrient IRA, and (iii) 1,481 unvested shares of restricted Common Stock of the Company granted to Mr. Dobrient on 4/1/15, of which 493 shares will vest on 4/1/16, 493 shares will vest on 4/1/17, and 495 shares will vest on 4/1/18.
- (11) Consists of (i) 34,634 shares of Common Stock beneficially owned by Mr. Fowler, and (ii) 10,000 unvested shares of restricted Common Stock of the Company granted to Mr. Fowler under the Company's 2014 Omnibus Incentive Plan on 12/1/14, which will vest on 12/1/16, and (iii) 3,666 unvested shares of restricted Common Stock of the Company granted to Mr. Fowler on 4/1/15, of which 1,222 shares will vest on 4/1/16, 1,222 shares will vest on 4/1/17 and 1,222 will vest on 4/1/18.
- (12) Consists of (i) 15,997 shares of Common Stock beneficially owned by Ms. Lehmann, and (ii) 6,111 unvested shares of restricted Common Stock of the Company granted to Ms. Lehmann under the Company's 2014 Omnibus Incentive Plan on 12/1/14, which will vest on 12/1/16, and (iii) 2,666 shares of restricted Common Stock of the Company granted to Ms. Lehmann on 4/1/15, of which 888 shares will vest on 4/1/16, 888 shares will vest on 4/1/17, and 890 shares will vest on 4/1/18.
- (13) Consists of (i) 12,386 shares of Common Stock beneficially owned by Ms. Pittman, (ii) 2,668 unvested shares of restricted Common Stock of the Company granted to Ms. Pittman under the Company's 2014 Omnibus Incentive Plan on 12/1/14, which will vest on 12/1/16, and (iii) 1,555 unvested shares of restricted Common Stock of the Company granted to Ms. Pittman on 4/1/15, of which 518 shares will vest on 4/1/16, 518 shares will vest on 4/1/17, and 519 shares will vest on 4/1/18.
- (14) Consists of (i) 10,000 shares of Common Stock of the Company beneficially owned by Mr. Rafferty, (ii) 3,891 shares of Common Stock beneficially owned jointly with spouse Linda B. Rafferty, and (iii) 1,481 unvested shares of Common Stock of the Company granted to Mr. Rafferty on 4/1/15, of which 493 shares will vest on

4/1/16, 493 shares will vest on 4/1/17, and 495 shares will vest on 4/1/18.

---

**Table of Contents**

- (15) Consists of (i) 10,082 shares of Common Stock beneficially owned by Mr. Nelson, and (ii) 3,856 unvested shares of restricted Common Stock of the Company granted to Mr. Nelson under the Company's 2014 Omnibus Incentive Plan on 12/1/14, which will vest on 12/1/16, and (iii) 1,218 unvested shares of restricted Common Stock of the Company granted to Mr. Nelson on 4/1/15, of which 406 shares will vest on 4/1/16, 406 shares will vest on 4/1/17, and 406 shares will vest on 4/1/18.
- (16) Consists of (i) 3,700 shares beneficially owned by Mr. McClain directly, (ii) 8,636 shares held by Mr. McClain together with his spouse, Janet A. McClain, and (iii) 1,481 unvested shares of restricted stock of the Company granted to Mr. McClain on 4/1/15, of which 493 shares will vest on 4/1/16, 493 shares will vest on 4/1/17 and 495 shares will vest on 4/1/18.
- (17) Consists of (i) 8,841 shares of Common Stock beneficially owned by Mr. Sperring, (ii) 1,000 shares beneficially owned through Fidelity as Custodian FBO of Mr. Sperring IRA, and (iii) 1,334 unvested shares of restricted Common Stock of the Company granted to Mr. Sperring under the Company's 2014 Omnibus Incentive Plan on 12/1/14 which will vest on 12/1/16, and (iv) 1,482 unvested shares of restricted Common Stock of the Company granted to Mr. Sperring on 4/1/15, of which 494 shares will vest on 4/1/16, 494 shares will vest on 4/1/17, and 494 shares will vest on 4/1/18.
- (18) Consists of (i) 8,000 shares of Common Stock beneficially owned by Ms. Miller through PTC/Botsford Financial Group FBO Maribess Lehmann Miller IRA, (ii) 1,000 shares of Common Stock beneficially owned through Merrill Lynch FBO Maribess L Miller SEP IRA, and (iii) 1,481 unvested shares of restricted Common Stock of the Company granted to Ms. Miller on 4/1/15, of which 493 shares will vest on 4/1/16, 493 shares will vest on 4/1/17 and 495 shares will vest on 4/1/18.

**Table of Contents**

**PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM**

**Appointment of Independent Registered Public Accounting Firm**

The Audit Committee of the Board of Directors has appointed the accounting firm of Crowe Horwath LLP to serve as Triumph's independent registered public accounting firm for the fiscal year ending December 31, 2016. A proposal to ratify that appointment will be presented at the Annual Meeting. Representatives of Crowe Horwath LLP are expected to be present at the meeting. They will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from stockholders.

Stockholder ratification of the selection of Crowe Horwath LLP as our independent public accountants is not required by our Bylaws or other applicable legal requirement. However, the Board of Directors is submitting the selection of Crowe Horwath LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee at its discretion may direct the appointment of a different independent accounting firm at any time during the year if it determines that such a change would be in our best interests and our stockholders' best interests.

**Audit and Non-Audit Fees**

The following table presents fees for professional audit services rendered and expenses of Crowe Horwath LLP for the audits of our annual financial statements for the years ended December 31, 2015 and 2014, and fees billed for other services rendered and expenses of Crowe Horwath LLP during 2015 and 2014.

|                    | <b>2015</b> | <b>2014</b> |
|--------------------|-------------|-------------|
|                    | (\$)        | (\$)        |
| Audit fees         | 632,053     | 590,000     |
| Audit-related fees | 122,275     | 415,592     |
| Tax fees           | 172,425     | 101,800     |
|                    | 926,753     | 1,107,392   |

Audit fees include fees for financial statement audit services for the purpose of rendering an opinion on the financial statements. Audit fees also include reviews of the financial statements included in our quarterly reports on Form 10-Q. Audit-related fees are fees for assurance and related services that are reasonably related to the audit of our financial statements and are not reported under audit fees, including, during 2014, fees for work performed in connection with our registration statement on Form S-1, audits in connection with acquisitions, employee benefit plan audits, and accounting and financial reporting consultations. Tax fees for 2015 include approximately \$146 thousand for tax compliance, including the preparation, filing and review of tax returns and approximately \$27 thousand for tax advice and tax planning. Tax fees for 2014 include approximately \$70 thousand for tax compliance, including the preparation, filing and review of tax returns and approximately \$32 thousand for tax advice and tax planning.

**Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditor**

The Audit Committee of the Board of Directors has implemented procedures to ensure that all audit, audit-related and permitted non-audit services provided to us are pre-approved by the Audit Committee. Any audit and non-audit services require specific pre-approval by the Audit Committee. The Audit Committee may delegate pre-approval authority to one or more of its members when expedition of services is necessary.

**Table of Contents**

All of the audit-related, tax and all other services provided by Crowe Horwath LLP to us in 2015 were approved by the Audit Committee. The Audit Committee has determined that all non-audit services provided by Crowe Horwath LLP in 2015 were compatible with maintaining its independence in the conduct of its auditing functions.

**The Board of Directors unanimously recommends a vote FOR the ratification of our appointment of Crowe Horwath LLP as our independent registered public accounting firm for the current fiscal year.**

**Table of Contents**

**REPORT OF THE AUDIT COMMITTEE**

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The Company's management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited consolidated financial statements in the Annual Report with Company management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee is governed by a charter. A copy of the charter is available on the Company's website at <http://ir.triumphbancorp.com>. The Audit Committee held ten meetings during fiscal year 2015. The Company's current Audit Committee Charter was last updated on July 28, 2015. The Committee is comprised solely of independent directors as defined by NASDAQ listing standards and Rule 10A-3 of the Securities Exchange Act of 1934.

The meetings of the Audit Committee are designed to facilitate and encourage communication among the Audit Committee, the Company, the Company's internal audit function and the Company's independent auditor. The Audit Committee discussed with the Company's internal auditors and independent auditor the overall scope and plans for their respective audits. The Audit Committee meets with the internal auditors and the independent auditor, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal control, and the overall quality of the Company's financial reporting.

The Audit Committee recognizes the importance of maintaining the independence of the Company's Independent Auditor, both in fact and appearance. The Audit Committee evaluates the qualifications, performance and independence of the Company's Independent Auditor and its lead partner and makes a determination whether to re-engage the current Independent Auditor. In doing so, the Audit Committee considers the quality and efficiency of the services provided by the auditors, the auditors' capabilities and the auditors' technical expertise and knowledge of the Company's operations and industry. The Audit Committee participates in discussions and negotiations of audit and audit related fees and approves all fees and services of the Independent Auditor. The Audit Committee anticipates retaining Crowe Horwath LLP as the Company's Independent Auditor for 2016. Crowe Horwath LLP has been the Independent Auditor for the Company since 2013.

The members of the Audit Committee and the Board believe that, due to Crowe Horwath LLP's knowledge of the Company and of the industries in which the Company operates, it is in the best interests of the Company and its stockholders to continue retention of Crowe Horwath LLP to serve as the Company's Independent Auditor. The Audit Committee has overall responsibility for the appointment, compensation and oversight of the Independent Auditor. Although the Audit Committee has the sole authority to appoint the Independent Auditors, the Audit Committee will continue to recommend that the Board ask the stockholders, at the Annual Meeting, to ratify the appointment of the Independent Auditors.

The Audit Committee reviewed with the independent auditor, which is responsible for expressing an opinion on the conformity of the audited consolidated financial statements with US generally accepted accounting principles, its judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Committee by the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), including PCAOB Auditing Standard No. 16, *Communications with Audit Committees*, the rules of the SEC, and other applicable regulations. In addition, the Audit Committee has discussed with the independent auditor the firm's independence from Company management and the Company, including the matters in the letter from the firm required by PCAOB Rule 3526, *Communication with Audit Committees Concerning*

*Independence*, and considered the compatibility of non-audit services with the independent auditor's independence.



**Table of Contents**

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, filed by the Company with the SEC.

***THE AUDIT COMMITTEE***

Michael P. Rafferty, Chairman

Derek R. McClain

Maribess L. Miller

April 1, 2016

-33-

**Table of Contents**

**STOCKHOLDER PROPOSALS**

Stockholder proposals submitted pursuant to SEC Rule 14a-8 for inclusion in our 2016 proxy statement and acted upon at our 2017 Annual Meeting (the 2017 Annual Meeting ) must be received by us at our executive offices at 12700 Park Central Drive, Suite 1700, Dallas, Texas 75251, Attention: Corporate Secretary, on or prior to December 2, 2016. If, however, the 2017 Annual Meeting takes place more than 30 days before or after May 12, 2017, then the deadline for stockholder proposals submitted pursuant to SEC Rule 14a-8 for inclusion in our 2017 proxy statement and acted upon at our 2017 Annual Meeting shall be a date that we determine to be a reasonable time before we begin to print and send our Proxy Materials. In this event, we will disclose this deadline in a public filing with the SEC.

Stockholder proposals submitted for consideration at the 2017 Annual Meeting but not submitted pursuant to SEC Rule 14a-8, including stockholder nominations for candidates for election as directors, generally must be delivered to the Secretary at our executive offices not later than 90 days nor earlier than 120 days before the first anniversary of the date of the 2016 Annual Meeting. As a result, any notice given by a stockholder pursuant to the provisions of our Bylaws (other than notice pursuant to SEC Rule 14a-8) must be received no earlier than January 13, 2017 and no later than February 12, 2017. However, if the date of the 2017 Annual Meeting occurs more than 30 days before or more than 60 days after May 12, 2017, notice by the stockholder of a proposal must be delivered no later than the later of 70 days prior to the date of such annual meeting or the 7th day following the earlier of the date on which notice of the annual meeting is first mailed by or on behalf of the Company or the day on which we first make a public announcement of the date of the annual meeting. Stockholder proposals or nominations must include the specified information concerning the stockholder and the proposal or nominee as described in our Bylaws.

**Table of Contents**

**HOUSEHOLDING**

The SEC has adopted rules that permit companies and intermediaries (such as banks and brokers) to satisfy the delivery requirement for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement and annual report addressed to all holders at that address. This process is commonly known as householding. To conserve resources and reduce expenses, we consolidate materials under these rules when possible. Stockholders who participate in householding will receive separate proxy cards.

Because we are using the SEC's notice and access rule and are delivering proxy materials electronically, we will not household our proxy materials or notices to stockholders of record sharing an address. This means that stockholders of record who share an address will each be mailed a separate Notice of Internet Availability of Proxy Materials. However, certain brokerage firms, banks, or similar entities holding our Common Stock for their customers may household proxy materials or notices. Stockholders sharing an address whose shares of our Common Stock are held in street name should contact their broker if they now receive (i) multiple copies of our proxy materials or notices and wish to receive only one copy of these materials per household in the future, or (ii) a single copy of our proxy materials or notice and wish to receive separate copies of these materials in the future.

If at any time you would like to receive a paper copy of the annual report or proxy statement, please write to Investor Relations, Triumph Bancorp, Inc., 12700 Park Central Drive, Suite 1700, Dallas, Texas 75251.

By Order of the Board of Directors,

Aaron P. Graft

President and Chief Executive Officer

**Table of Contents**



**Table of Contents**