

**TEXAS CAPITAL BANCSHARES, INC.**  
**AUDIT COMMITTEE CHARTER**

**Purpose**

The Board of Directors is charged with establishing and monitoring adherence to policies and procedures required by regulatory statutes and principles of safety and soundness. Consistent with this function, the Board of Directors hereby establishes an Audit Committee (the "Committee"). The Committee also functions as the Audit Committee of the Board of Directors of the Company's subsidiary, Texas Capital Bank, National Association (the "Bank"). References to the Company herein also include the Bank and all other direct and indirect subsidiaries of the Company.

The purpose of the Committee is to oversee the Company's processes related to financial and regulatory reporting, internal control and regulatory and legal compliance. This includes the internal controls over financial and regulatory reporting of the Company, the audits and financial statements of the Company and the performance, independence and qualifications of the independent auditor and internal auditors of the Company. The Committee shall assist the Board of Directors in monitoring:

1. The effectiveness of the system of reporting financial information to the Company's shareholders and to regulators and the quality and integrity of the consolidated financial statements of the Company;
2. The Company's reserve methodology and the sufficiency of quarterly provisions for loan losses;
3. The independence and performance of the Company's independent auditor;
4. The independence and performance of the Company's internal auditors;
5. The Company's compliance with the Board of Directors' directives, the Company's operating policies and procedures (including the Company's Code of Business Conduct and Ethics ("Code")), applicable laws and regulations; and
6. Such other matters as are specified in this Charter or by the Board of Directors from time to time.

While the Committee has the responsibilities and powers set forth in this Charter, the Committee is not providing any expert or special assurance as to the Company's financial statements, internal controls, or any professional certification as to the independent auditor's work, and it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. These are the responsibilities of management and the independent auditor. Nor is it the duty of the Committee to assure compliance with laws and regulations and the Code.

## **Membership**

The Committee shall be comprised of:

1. Not less than three members of the Board of Directors;
2. Members of the Board of Directors who have no relationship to the Company that may interfere with the exercise of their independence from management and the Company, such as accepting any consulting or advisory fees from the Company;
3. Members of the Board of Directors who satisfy the independence requirements of applicable law and of any listing standards or other requirements pertaining to corporate governance of any registered securities exchange or other inter-dealer quotation system on which the securities of the Company are traded or listed at the request of the Company; and
4. Members of the Board of Directors who are, in the Board of Directors' judgment, financially literate or who shall become financially literate within a reasonable period of time after appointment to the Committee. In addition, at least one member of the Committee will have accounting or related financial management expertise sufficient to be considered a "Financial Expert."

The Board of Directors shall appoint the Committee Chair who shall serve at the pleasure of the Board. The Chair shall preside at meetings of the Committee and shall have authority to convene meetings, set agendas of meetings, and determine the Committee's information needs, except as otherwise provided by the action of the Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

The Board of Directors may, at any time, and in its complete discretion, replace any member of the Committee.

## **Authority**

The Board of Directors authorizes the Committee within the scope of its responsibilities to:

1. Seek any information it requires from any Company employee or any other source deemed advisable. All employees and external parties are directed by the Board of Directors to cooperate with any request made by the Committee;
2. Obtain outside legal or other independent professional advice;
3. Ensure the attendance at Committee meetings of external parties with relevant experience and expertise; and
4. Obtain from the Company appropriate funding, as determined by the Committee, to compensate the independent auditor, outside legal counsel or any other advisors

employed by the Committee, and to pay ordinary Committee administrative expenses that are necessary and appropriate in carrying out its duties.

### **Meetings**

The Committee shall meet at least quarterly or more frequently as circumstances require; provided, that the Committee must meet at least twice per year in executive session, and that the Committee will periodically hold private meetings with management, the Chief Financial Officer, the director of credit review, the director of internal audit and the independent auditor. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. The proceedings of all meetings will be documented in minutes, which will be approved by the Committee and presented at meetings of the Board of Directors. The Committee may act by unanimous written consent of its members.

A majority of the members of the Committee shall constitute a quorum for a meeting and the affirmative vote of a majority of members shall constitute the action of the Committee.

### **Duties and Responsibilities of the Committee**

To carry out its purposes, the Committee shall have the following duties and responsibilities:

- A. With respect to the Company's independent auditor (which includes any certified public accountant or firm providing attestation services to the Company):
  1. Be directly responsible for the appointment, compensation, evaluation, replacement and oversight of the work of the independent auditor. On an annual basis, the Committee will require the independent auditor to submit a formal written statement regarding relationships and services which may affect its objectivity and independence. The independent auditor shall report directly to the Committee.
  2. Possess sole authority to approve all audit engagement fees and terms, as well as all non-audit engagements of the independent auditor by the Company.
  3. Resolve any disagreements between management and the independent auditor regarding auditing or financial reporting.
  4. Meet with the independent auditor and financial management of the Company to review the scope of the proposed audit for each year and, at the conclusion thereof, review such audit, including any comments or recommendations of the independent auditor.
  5. Discuss with the independent auditor and evaluate the matters required to be discussed and disclosed by the independent auditor under applicable law and professional standards, including matters relating to the auditor's independence, any difficulties the independent auditor encountered in the course of the audit work, any restrictions on the scope of the independent auditor's activities or on

access to requested information and any significant disagreements with management.

6. Meet in executive session with the independent auditor to discuss any audit findings or other matters the Committee or the independent auditor deems relevant.
  7. Assure that the independent auditor does not perform non-audit services that the Public Company Accounting Oversight Board (“PCAOB”) or the Securities and Exchange Commission (“SEC”) determine to be impermissible.
  8. Approve in advance of performance by the independent auditor permitted non-audit services, such as tax services, and cause disclosure of such non-audit services performed by the independent auditor to be made in the Company’s periodic reports.
  9. Set clear hiring policies for employees or former employees of the independent auditor.
  10. Assure the rotation of the lead audit partner as required by applicable laws and regulations.
  11. Obtain and review, at least annually, a written statement from the independent auditor regarding: (i) the independent auditor's internal quality control procedures; (ii) any material issues raised by the independent auditor's most recent quality-control review and its response; and (iii) all relationships between the independent auditor and the Company and/or its affiliates, consistent with PCAOB Rule 3526. The Committee will consider and discuss with the independent auditor any disclosed relationships or services that could affect the independent auditor's objectivity and independence, and assess and take appropriate action to oversee the independence of the independent auditor.
- B. With respect to accounting principles and policies, financial reporting and internal controls over financial reporting:
1. Review the disclosures and certifications of the Company’s Chief Executive Officer and Chief Financial Officer pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act.
  2. Consider the independent auditor’s judgments regarding the quality and appropriateness of the Company’s accounting principles as applied in its financial reporting.
  3. Review quarterly with management and the independent auditor, the Company’s financial statements included in its Quarterly Reports on Form 10-Q or Annual Report on Form 10-K and related press releases, including any significant events, transactions and changes in accounting estimates which were considered by the independent auditor, in performing the quarterly review or annual audit, to have

affected the quality of the Company's financial reporting or related internal controls.

4. Approve the Audit Committee Report included in the Company's proxy statement for its annual meeting of stockholders.
  5. Obtain, review and discuss reports from the independent auditor regarding:
    - a. critical accounting policies and practices to be used;
    - b. alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent auditor and the reasons for favoring that treatment; and
    - c. other material written communications between the independent auditor and Company management, such as any management letter or schedule of unadjusted differences.
  6. Establish procedures for the proper receipt, retention and treatment of confidential, anonymous submissions by the Company's employees and others of concerns and complaints regarding accounting, auditing and internal controls over financial reporting.
  7. In consultation with the Risk Committee, approve the Company's reserve methodology, review the sufficiency of quarterly provisions for loan losses and report on such matters to the Board of Directors.
  8. Receive and review reports from the Chief Risk Officer and the Internal Audit Department regarding management's compliance with the Company's risk appetite statement and applicable risk-related policies, procedures and tolerances that impact the Company's financial reporting and regulatory compliance, confirm that management is being held accountable for appropriately assessing and effectively managing such risks and identify any weaknesses or needs for strengthening risk management or reducing such risks.
- C. With respect to compliance with laws and regulations:
1. Be responsible for overseeing the Company's implementation of, adherence to and compliance with the Bank Secrecy Act, relevant provisions of the USA Patriot Act of 2001, and regulations and regulatory guidance pertaining thereto.
  2. Have periodic reviews with the Company's independent and internal auditors, the chief compliance officer and legal counsel regarding developments and changes in the various federal banking rules, regulations and other laws and the status of the Company's compliance record.
  3. Review and discuss with the Chief Risk Officer, other members of senior management, the independent auditor and legal counsel, as appropriate, significant

regulatory and other published reports regarding the Company and any threatened or pending material regulatory or legal actions against the Company. Monitor the Company's responses to such reports and actions, including the status of remediation plans implemented in response to any comments or "matters requiring attention" provided by the Company's regulators.

4. Annually review and approve the Corporate Compliance Program.
5. Serve as the Bank's Trust Audit Committee in accordance with 12 C.F.R. §9.9.

D. With respect to internal audit:

1. Be directly responsible for the appointment, compensation, evaluation, replacement and oversight of the work of the Director of Internal Audit, whose primary duty shall be to plan and manage internal audits of the Company's operations in accordance with the Internal Audit Department Charter and who shall report functionally to the Committee and administratively to the Chief Executive Officer.
2. The Committee shall review and approve the Internal Audit Department Charter at least annually.
3. Review and approve the Internal Audit Department's annual audit plan and any material changes therein and assure that the Internal Audit Department has sufficient staffing and funding to execute such plan.
4. Review summaries of findings from completed internal and compliance audits, progress reports on the internal audit plan and a report of identified weaknesses and management's response from prior audits.
5. Provide sufficient opportunity for the Company's internal auditors to meet in executive session with the members of the Committee to discuss any audit findings or other matters deemed relevant by the Committee or the internal auditors.

E. With respect to other Committee duties and responsibilities:

1. Annually review and assess the Committee's Charter. The review will include the Committee performing an annual self- evaluation. The evaluation must compare the performance of the Committee with the requirements of this Charter, and recommend to the Board of Directors any improvements to this Charter deemed necessary by the Committee.
2. The Committee will implement and administer the Code for directors, officers (including the principal executive officer and the senior financial officers) and employees. The Committee may make recommendations to the Board of Directors for modifications or amendments to the Code. The Committee will perform duties designated by the Code.

3. **Oversee and review and approve, where appropriate, related party transactions of the Company as may be required by applicable laws and regulations.**