

# Corporate Governance Guidelines

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# I. Corporate Governance Guidelines

Good governance, ethical conduct, accountability and transparency are essential to the success of a public company. The Board of Directors (the “Board”) must be comprised of qualified individuals and structured in a way that promotes accountability and ensures that the interests of the Directors and management are aligned with stockholder interests. To promote these goals and to ensure proper functioning of the Board and its committees, the Board of Triumph Financial, Inc. (the “Company”) has adopted the following governance principles.

## II. Director Qualifications and Board Composition

### Independence and Qualifications

To the extent required by the rules of the NASDAQ Stock Market LLC (“NASDAQ”) (including with respect to the phase-in requirements of such rules), the Board will have a majority of directors who meet the criteria for independence required by the NASDAQ. The Nominating and Corporate Governance Committee of the Board is responsible for reviewing the qualifications and independence of the members of the Board and its various committees on a periodic basis as well as the composition of the Board as a whole. This assessment will include members’ qualification as independent, as well as consideration of diversity, age, skills, and experience in the context of the needs of the Board. Nominees for Directorship will be recommended to the Board by the Nominating and Corporate Governance Committee in accordance with the policies and principles in its charter. The invitation to join the Board should be extended by the Board itself by the Chairman of the Nominating and Corporate Governance Committee or by the Chairman of the Board.

### Size of the Board

The size and composition of the Board will be determined from time to time by the Board, as set forth in and in accordance with the Certificate of Formation of the Company (as amended from time to time).

### Change of Status

Any individual Director who changes the principal occupation, position or responsibility he or she held when he or she was elected to the Board should offer to resign from the Board. The Board does not believe that in every instance the Directors who retire or change from the occupation, position or responsibility they held when they joined the Board should necessarily leave the Board. There should, however, be an opportunity for the Board (or the Nominating and Corporate Governance Committee) to review the appropriateness of continued Board membership under the circumstances.



## Other Directorships

Directors should advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on a public company board. There should be an opportunity for the Board, through the Nominating and Corporate Governance Committee, to review the Director's availability to fulfill his or her responsibilities as a Director if he or she serves on more than four public company boards.

## Term Limits

The Board does not plan to establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they carry the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, to provide an increasing contribution to the Board and the Company.

## Chairman of the Board

The Company has no fixed policy with respect to the separation of the offices of Chairman of the Board and the Chief Executive Officer. The Board believes that this issue is part of the succession planning process, and that it is in the best interests of the Company for the Board to make this determination from time to time when selecting a CEO and/or Chairman of the Board.

# III. Director Responsibilities

## Business Judgment; Indemnification

The basic responsibility of the Directors is to exercise their business judgment in good faith to act in what they reasonably believe to be the best interests of the Company. In discharging that obligation, Directors shall be entitled to rely on the honesty and integrity of their fellow Directors and of the Company's senior executives, outside advisors and outside auditors. The Directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's Certificate of Formation (as amended from time to time) and any indemnification agreements.

## Meetings

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting will generally be distributed in writing to the Directors before the meeting, and Directors should review these materials in advance of the meeting.



## Matters to be Considered

The Chairman will establish the agenda for each Board meeting. At the beginning of the year, the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

## Meetings of Outside Directors

The non-management Directors will meet periodically in executive session. If the non-management Directors include any Directors who are not "independent" pursuant to the Board's standards for determining independence, at least one executive session will include only independent Directors. The Board will elect one non-management Director as the lead outside director (the "Lead Outside Director") who will preside over executive sessions.

## Communications

The Board believes that the management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that Board members will do this only with knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

## Shareholder Communication with the Board

Stockholders may communicate with the Board or individual Directors by submitting written correspondence to the Secretary at the Company's headquarters. The Secretary may facilitate or direct such communications with the Board or individual Directors by reviewing, sorting, and summarizing such communications. All such communications will be referred to the Board or individual Directors for consideration unless the Board instructs the Secretary otherwise.

## Other Responsibilities

Directors are expected to maintain the confidentiality of the proceedings and deliberations of the Board and its committees. Directors are expected to remain sufficiently familiar with the business of the Company to facilitate active and effective participation in the deliberations of the Board and committees on which they sit. Any Director who determines that he or she may have a potential conflict of interest shall promptly notify the Board of that fact. Any Director who is involved in a situation that is reasonably likely to be detrimental to the Company's reputation shall communicate the circumstances to the Board and shall offer to resign. Each Director is required to be the beneficial owner of shares of the Company in an amount determined by the Board.



## **IV. Board Committees**

### **Committees and Members**

The Board will have at all times an Audit Committee and, to the extent required by the rules of the NASDAQ (including with respect to the phase-in requirements of such rules), a Compensation Committee and a Nominating and Corporate Governance Committee. The members of these committees will be independent Directors under the criteria established by the NASDAQ to the extent required by the rules of the NASDAQ, and, in the case of the Audit Committee, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. In general, committee members will be appointed by the Board with consideration of the desires and preferences of individual Directors. Due consideration will be given to rotating committee members periodically, but rotation will not be mandated as a policy and the emphasis will instead be placed on expertise, past performance and Director preference.

### **Committee Charters**

Each committee will have its own charter. The charters will set forth the purposes, goals, responsibilities and authority (consistent with any applicable bylaws or resolutions of the Board) of the committees, as well as certain specific qualifications for committee membership and procedures for committee member appointment; in addition, the charters will address committee reporting to the Board. The charters will also provide that each committee will annually evaluate its own performance and report the results of this evaluation to the Board.

### **Committee Meetings**

The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all Directors.

### **Independent Advisors**

The Board shall have the power to hire at the expense of the Company independent legal, financial or other advisors as it may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

### **Additional Committees**

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.



## Dual Committees

When deemed necessary or appropriate, a Board committee of the Company may perform the same services within the scope of its authority for any of the Company's subsidiaries that do not then have such a committee of its own. Committees acting in such dual capacities may meet simultaneously as committees of the Company and of the relevant subsidiary, though they should hold separate sessions if necessary to address issues that are relevant to one entity but not the other or to consider transactions or other matters where the Company and the relevant subsidiary may have different interests. In addition, any such committee should consult with internal or outside counsel if, in the opinion of the committee, any matter under consideration by the committee has the potential for any conflict between the interests of the Company and those of the subsidiary in order to ensure that appropriate procedures are established for addressing any such potential conflict.

## V. Director Access to Officers and Employees

### Full Access

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a Director wishes to initiate may be arranged through the CEO or the Secretary or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and does not inappropriately disclose any confidential or sensitive information in the possession of the Director and will copy, to the extent not inappropriate, the CEO on any written communications between a Director and an officer or employee of the Company.

### Non-Director Attendance at Board Meetings

The Board welcomes regular attendance at each Board meeting of the appropriate representatives of senior management of the Company as shall be determined from time to time, subject to the Board's right in all instances to meet in executive session or with a more limited number of management representatives. If the CEO wishes to have additional Company personnel attendees on a regular basis, this suggestion should be brought to the Board for consideration.

## VI. Director Compensation

### Form and Amount

The form and amount of Director compensation will be determined by the Nominating and Corporate Governance Committee accordance with its policies and principles and any NASDAQ or other applicable rules, and the Nominating and Corporate Governance Committee will conduct an annual review of Director compensation. The Nominating and Corporate Governance Committee if such committee will consider that Directors' independence may be jeopardized if Director compensation and perquisites exceed customary levels, if the Company makes substantial





charitable contributions to organizations with which a Director is affiliated or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.

## **VII. Director Orientation and Continuing Education**

The Board shall establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly elected Directors of the Company for their benefit either prior to or within a reasonable period of time after their nomination or election as Directors. The orientation will include presentations by senior management to familiarize new Directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. In addition, new members to a committee will be provided information relevant to the committee and its roles and responsibilities. All continuing Directors are also invited to attend any such orientation programs. The Board believes it is appropriate for Directors, at their discretion, to have access to educational programs related to their duties as Directors on an ongoing basis to enable them to better perform their duties and to recognize and deal appropriately with issues that arise. The Company will provide appropriate funding for these programs. In addition, Directors will receive periodic reviews of the Company's business and visit Company facilities as part of their ongoing review of the Company and its operations.

## **VIII. CEO Evaluation and Management Succession**

The Board will conduct an annual review of the CEO's performance in order to ensure that the CEO is providing the best leadership for the Company in the long- and short-term. The Compensation Committee of the Board will conduct this review, as set forth in its charter, and the Board will review the Compensation Committee's report. If the CEO serves as the Chairman of the Board, then the Lead Outside Director will preside over the Board when it meets for this purpose.

The Board will conduct an annual review of succession planning and evaluate and nominate potential successors to the CEO. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. The Nominating and Corporate Governance Committee will have the responsibilities of the Board under this paragraph and should make an annual report to the Board on succession planning and work with the entire Board to evaluate and nominate potential successors to the CEO. In addition, the Board, with input from the CEO and other members of management as appropriate, will review annually the Company's program for management development and succession planning for executive officers other than the CEO. The Board will also review succession candidates for executive officers other than the CEO or other senior managers as it deems appropriate.



## **IX. Annual Performance Evaluation**

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee will receive comments from all Directors and report annually with an assessment of the Board's performance. This assessment will be discussed by the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and especially on areas in which the Board or management believes that the Board could improve.

## **X. Amendment and Interpretation**

These Guidelines are in addition to and are not intended to change or interpret any federal or state law or regulation, including the Texas Business Organizations Code, or the Company's Certificate of Formation (as amended from time to time) or Bylaws (as amended from time to time) or any committee charter reviewed and approved by the Board. The Guidelines are subject to modification from time to time by the Board.

