BANC OF CALIFORNIA, INC.
Form DEF 14A
April 29, 2019
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 Rule 14a-12	

BANC OF CALIFORNIA, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the 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:
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Fee paid previously with preliminary materials.
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(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

April 29, 2019

Dear Fellow Stockholder:

Robert D. Sznewajs

Chair of the Board

On behalf of the Board of Directors and management of Banc of California, Inc. (the Company), we invite you to attend the Company's 2019 Annual Meeting of Stockholders (the Annual Meeting or the Meeting). The Meeting will be held at 8:00 A.M., Pacific Daylight Time, on June 13, 2019 at Balboa Bay Resort, located at 1221 West Coast Highway, Newport Beach, California 92663.

Over the last two years, we have made significant changes to our Board, executive management team and corporate governance practices. With this strong foundation, we are transforming the Company into a relationship-oriented community bank that serves businesses, business owners and individuals within our footprint, which we believe will enhance stockholder value.

This year's Annual Meeting provides us with an opportunity to review certain changes made to our executive compensation program as we ask our stockholders to approve, on an advisory basis, the compensation paid to certain of our executive officers in 2018 (also known as Say-on-Pay). In addition, we are asking our stockholders to refresh their recommendation for how frequently we present our stockholders with a Say-on-Pay Proposal. We feel strongly that a critical component of our long-term objectives is to maintain a close alignment between our Board and executive management, and to be in alignment with our stockholders. In an effort to meet this objective, the Board recommends stockholders be presented with a Say-on-Pay proposal on an annual basis.

Your vote is important, regardless of the number of shares you hold. We began mailing a Notice of Internet Availability of Proxy Materials to most stockholders on or about April 29, 2019, informing them of the availability online of our proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2018, along with voting instructions. You may choose to access these materials online, or you may request paper or e-mail copies. By making these materials available online and by paper only upon request, we are able to reduce our printing and distribution costs.

Even if you do not plan to attend the Annual Meeting, please read the enclosed proxy statement and vote your shares as promptly as possible. You can vote by completing, signing and dating the enclosed proxy card and returning it in the accompanying pre-postage paid return envelope. Registered stockholders, that is, stockholders who hold stock in their own names, can also vote their shares by telephone or via the internet. If your shares are held through a bank, broker or other nominee, please check your proxy card to see if you can also vote by telephone or the internet. Voting promptly will save the Company additional expense in soliciting proxies and will ensure that your shares are represented at the Meeting.

Our Board is committed to the success of the Company and we continue to be focused on enhancing stockholder value. We greatly appreciate your continued confidence and support as we strive to become California's premier relationship-oriented community bank.

Sincerely,

/s/ Robert D. Sznewajs

ROBERT D. SZNEWAJS

Chair of the Board

3 MacArthur Place

Santa Ana, California 92707

BANC OF CALIFORNIA, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

June 13, 2019

NOTICE IS HEREBY GIVEN that the 2019 Annual Meeting of Stockholders (the Annual Meeting or the Meeting) of Banc of California, Inc. (the Company) will be held:

DATE	June 13, 2019
TIME	8:00 A.M. Pacific Daylight Time
PLACE	Balboa Bay Resort—1221 West Coast Highway, Newport Beach, California 92663
ITEMS OF BUSINESS	Proposal No. I. Election of the six Class I director nominees named in this proxy statement, each for a term of one year expiring at the Company's 2020 annual meeting of stockholders. II. Ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the year ending December 31, 2019. III. Approval, on an advisory and non-binding basis, of the compensation paid to our named executive officers as disclosed in this proxy statement (Say-on-Pay). IV. Approval, on an advisory and non-binding basis, of the frequency of future Say-on-Pay votes (Say-on-Frequency).
RECORD DATE	Holders of record of the Company's voting common stock at the close of business on April 15, 2019, will be entitled to vote at the Meeting or any adjournment or postponement of the Meeting.
ANNUAL REPORT	The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as filed with the Securities and Exchange Commission on March 1, 2019 (the Annual Report) accompanies this proxy statement.
AVAILABILITY OF MATERIALS	The Company's proxy statement and the Annual Report are also available on the Internet at www.investorvote.com/BANC.
PROXY VOTING	It is important that your shares be represented and voted at the Meeting. You can vote your shares by completing and returning the enclosed proxy card. Registered stockholders, that is, stockholders who hold stock in their own names, can also vote their shares by telephone or via the internet. If your shares are held through a bank, broker or other nominee, check your proxy card to see if you can also vote by telephone or the internet. Regardless of the number of shares you own, your vote is very important. Please act today.

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ Rachel L. Fisher
RACHEL L. FISHER
Corporate Secretary
Santa Ana, California
April 29, 2019

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BANC OF CALIFORNIA, INC.

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

June 13, 2019

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PROXY STATEMENT SUMMARY

Our Annual Meeting Logistics

BANC OF CALIFORNIA, INC. 3 MacArthur Place Santa Ana, California 92707 (949) 236-5211	Date and Time June 13, 2019 8:00 A.M. Pacific Daylight Time	Location Balboa Bay Resort 1221 West Coast Highway Newport Beach, California 92663
	Record Date April 15, 2019	Who Can Vote Holders of the Company’s Voting Common Stock as of the Record Date

Our Annual Meeting Agenda

The Board of Directors of Banc of California, Inc. (Banc of California, the Company, we, us and our) is using this proxy statement to solicit proxies from the holders of the Company’s voting common stock, par value $0.01 per share, for use at the upcoming 2019 Annual Meeting of Stockholders (the Annual Meeting or the Meeting) and any adjournments or postponements of the Meeting. Stockholders are being asked to vote on the following matters:

No.	Proposal	Board Vote	Page

		Recommendation:	
I.	Election of the six Class I director nominees named in this proxy statement, each for a term of one year expiring at the Company's 2020 annual meeting of stockholders.	FOR each director nominee	7
II.	Ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the year ending December 31, 2019.	FOR	68
III.	Approval, on an advisory and non-binding basis, of the compensation paid to our named executive officers, as disclosed in this proxy statement (Say-on-Pay).	FOR	71
IV.	Approval, on an advisory and non-binding basis, of the frequency of future Say-on-Pay votes (Say-on-Frequency).	EVERY YEAR	78

These proposals are described in more detail elsewhere in this proxy statement. In addition to these proposals, stockholders will also consider any other matters that may properly come before the Meeting or any adjournment or postponement of the Meeting, although the Company's Board of Directors (the Board) knows of no other business to be presented.

By submitting your proxy, you authorize the Board to represent you and vote your shares at the Meeting in accordance with your instructions. The Board also may vote your shares to adjourn the Meeting from time to time and will be authorized to vote your shares at any adjournments or postponements of the Meeting.

For more information about voting mechanics and other general Meeting matters, see Information About the 2019 Annual Meeting of Stockholders beginning on page 83. The accompanying Notice of Annual Meeting of Stockholders and this proxy statement are first being made available to stockholders on or about April 29, 2019.

The Company's Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the Securities and Exchange Commission on March 1, 2019 (the Annual Report), which includes the Company's audited financial statements, accompanies this proxy statement. The Annual Report does not constitute a part of the proxy solicitation materials and is not incorporated into this proxy statement by reference.

Additionally, some of the information in this proxy statement and the Annual Report relates to the Company's wholly owned banking subsidiary, Banc of California, National Association (the Bank).

Your vote is important. Whether or not you plan to attend the Annual Meeting, please promptly submit your proxy.

PROXY STATEMENT SUMMARY

Our Vision

Our vision is to be California's premier relationship-oriented community bank, serving businesses, business owners and individuals within our footprint. We have a strong foundation that supports this vision, including:

- a strong and powerful brand;
- superior markets in which we operate;
- a strong balance sheet;
- solid credit and right-sized capital metrics; and
- an experienced leadership team and strong corporate governance.

2018 Performance

(1) Total stockholder return is calculated using the measurement period of the last trading day of the year prior to each respective time horizon to December 31, 2018.

As recent benchmarking data show, the Company has underperformed in cumulative total stockholder return with a majority of the underperformance occurring since the strategic transformation of Banc of California into a community banking franchise, which began in 2017. During that time, various initiatives have been executed, including targeted asset sales, business divestitures and expense reductions. These actions were completed methodically, with a view toward building long-term value within the business. As such, management believes the structural pieces are now in place to implement many parts of the Company's long-term strategic plan.

Strategic Priorities

Our executive leadership team prioritizes initiatives that are consistent with our vision. In March 2019, we welcomed Jared M. Wolff as our new President and Chief Executive Officer, and as a member of our Board of Directors. Under Mr. Wolff's leadership and with the support of the Board, our executive team is focused on executing the following priorities:

- right-sizing the balance sheet to eliminate assets and business lines that do not enhance the value of the Company;
- focusing on relationship-oriented lines of business consistent with our community banking footprint and model; and
- gathering noninterest bearing deposits and low-cost deposits from businesses and principals of those businesses who value our service, execution and high-touch banking model.

Focus on Long-Term Strategic Objectives

We believe our strategic priorities are consistent with creating significant shareholder value. In concert with the above, we continue to strive towards the following long-term strategic objectives:

Normalize Expenses. We will continue striving to ensure ongoing expenses are appropriate to the business and, overall, are relative to our size.

Create Effective Customer Platforms. We have invested, and will continue to invest, in core business technology solutions in an effort to simplify the way our customers do business. Delivering effective, but user-friendly solutions to our customers is a fundamental component of our business strategy.

Creating Long-Term Value. We believe a combination of the actions above will enhance value for stockholders over time. We expect the foundation we have in place today, when coupled with the strategic objectives and initiatives outlined above, will result in expanded operating leverage as we improve the overall earnings profile of the Company.

STOCK OWNERSHIP

Stock Ownership of Greater than 5 Percent Stockholders

The following table shows the beneficial ownership of our voting common stock by those persons or entities known by management to beneficially own more than five percent of the outstanding shares of our voting common stock as of April 15, 2019, the record date for the Annual Meeting. As of April 15, 2019, there were 50,365,106 shares of voting common stock issued and outstanding.

For purposes of this section and the one that follows, beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the SEC). In computing the number of shares beneficially owned by a person and the percentage of ownership by that person, shares of voting common stock subject to rights held by that person to acquire such shares currently or within 60 days are deemed outstanding. Such shares are not deemed outstanding for the purpose of computing the percentage of ownership by any other person.

Name and Address of Greater than 5% Stockholders	Amount and Nature of Beneficial Ownership	Percent of Voting Common Stock Outstanding (1)
BlackRock, Inc. 55 East 52nd Street New York, New York 10055 (2)	6,444,776	12.80%
Wellington Management Group LLP et al. 280 Congress Street Boston, Massachusetts 02210 (3)	5,846,892	11.61%
PL Capital Advisors, LLC et al. 47 East Chicago Avenue, Suite 328 Naperville, Illinois 60540 (4)	3,437,518	6.82%
Dimensional Fund Advisors LP Building One	3,249,267	6.45%

6300 Bee Cave Road Austin, Texas 78746 [5]		
The Vanguard Group 100 Vanguard Boulevard Malvern, Pennsylvania 19355 [6]	2,657,799	5.28%

(1) The percent was calculated based on 50,365,106 shares of voting common stock issued and outstanding as of the record date of April 15, 2019.

(2) As reported in Amendment No. 3 to Schedule 13G filed with the Securities and Exchange Commission on January 24, 2019 by BlackRock, Inc. (BlackRock). The amended Schedule 13G reports that BlackRock has (i) sole voting power over 6,330,581 shares and (ii) sole dispositive power over 6,444,776 shares.

(3) As reported in Amendment No. 2 to Schedule 13G filed with the Securities and Exchange Commission on February 12, 2019 by Wellington Management Group LLP (Wellington); Wellington Group Holdings LLP (Wellington Group); Wellington Investment Advisors Holdings LLP (Wellington Advisors); and Wellington Management Company LLP (Wellington Company). The amended Schedule 13G reports as follows:

- Wellington has shared voting power over 4,651,599 shares and shared dispositive power over 5,846,892 shares;
- Wellington Group has shared voting power over 4,651,599 shares and shared dispositive power over 5,846,892 shares;
- Wellington Advisors has shared voting power over 4,651,599 shares and shared dispositive power over 5,846,892 shares; and
- Wellington Company has shared voting power over 4,619,026 shares and shared dispositive power over 5,793,884 shares.

(4) Includes shares reported in Amendment No. 3 to Schedule 13D filed with the Securities and Exchange Commission on February 10, 2017 by PL Capital Advisors, LLC (PL Capital Advisors); John W. Palmer; and Richard J. Lashley. The amended Schedule 13D reports as follows:

- Messrs. Lashley and Palmer have shared voting and dispositive powers over 3,401,719 shares;
- PL Capital Advisors has shared voting and dispositive powers over 3,401,719 shares;
- Mr. Lashley has sole voting and dispositive powers over 20,000 shares; and
- Mr. Palmer has sole voting and dispositive powers over 5,500 shares.

Also includes an additional 10,299 shares held by Mr. Lashley directly, 5,250 of which are issuable upon the vesting of restricted stock units on May 31, 2019.

(5) As reported in the Schedule 13G filed with the Securities and Exchange Commission on February 8, 2019 by Dimensional Fund Advisors LP (Dimensional). The Schedule 13G reports that Dimensional has (i) sole voting power over 3,111,491 shares and (ii) sole dispositive power over 3,249,267 shares.

(6) As reported in the Schedule 13G filed with the Securities and Exchange Commission on February 11, 2019 by The Vanguard Group (Vanguard). The Schedule 13G reports that Vanguard has (i) sole voting power over 41,060 shares, (ii) sole dispositive power over 2,604,539 shares, (iii) shared voting power over 15,500 shares and (iv) shared dispositive power over 53,260 shares.

STOCK OWNERSHIP

Stock Ownership of Directors and Executive Officers

The following table shows the beneficial ownership of our voting common stock on the record date of April 15, 2019 by:

(i) each continuing director and director nominee of the Company;
(ii) each Named Executive Officer (as defined under Compensation Discussion and Analysis—Introduction); and
(iii) all of the Named Executive Officers, current executive officers who are not Named Executive Officers and current directors of the Company as a group.

The address of each of these beneficial owners is the same main address as that of the Company. To the extent any of the beneficial owners hold fractional shares of voting common stock, such fractional shares have been rounded down to the nearest whole share. As used in the following table, RSAs refer to restricted stock awards and RSUs refer to restricted stock units.

Directors and Executive Officers	Voting Common Stock		Total Number of Shares Subject to RSUs that will Vest Within 60 Days	Total Number of Shares Subject to Exercisable Options	Total Number of Shares Beneficially Owned [(1)]	Percent of Voting Common Stock Outstanding	
Jared M. Wolff President, Chief Executive Officer and Continuing Director	148,594	(2)	—	—	148,594	0.30	%
John A. Bogler Chief Financial Officer	29,719		—	—	29,719	0.06	%
Hugh F. Boyle Chief Risk Officer	89,137	(3)	—	73,000	162,137	0.32	%
Rita H. Dailey	3,557			—	3,557	0.01	%

Head of Deposits and Treasury Management							
Kris A. Gagnon Chief Credit Officer	6,779		—	—	6,779	0.01	%
Angelee J. Harris General Counsel	26,477	(4)		—	26,477	0.05	%
Halle J. Benett, Continuing Director	26,510	(5)	5,188	4,832	36,530	0.07	%
Mary A. Curran, Director Nominee	6,900		4,938	—	11,838	0.02	%
B.A. Fallon-Walsh, Director Nominee	100		3,563	—	3,663	0.01	%
Bonnie G. Hill, Director Nominee	5,568		4,750	—	10,318	0.02	%
Richard J. Lashley, Director Nominee	3,426,768	(6)	5,250	—	3,432,018	6.81	%
Jonah F. Schnel, Director Nominee	44,453	(7)	5,125	4,832	54,410	0.11	%
Robert D. Sznewajs, Chair and Continuing Director	30,704	(8)	7,188	4,832	42,724	0.08	%
W. Kirk Wycoff, Director Nominee	1,527,003	(9)	4,985	—	1,531,988	3.04	%
Douglas H. Bowers Former President, Former Chief Executive Officer and Former Director	64,738		—	—	64,738	0.13	%
Current and Former Named Executive Officers, Current Executive Officers who are not Named Executive Officers, and current Directors as a group (16 persons)	5,441,607		40,987	87,496	5,570,090	11.06	%

STOCK OWNERSHIP

(1) Includes 40,987 shares issuable within 60 days after April 15, 2019 upon vesting of RSUs and 87,496 shares subject to options that are exercisable as of, or will be become exercisable within 60 days after, April 15, 2019.
(2) Includes 135,594 shares underlying unvested RSAs over which Mr. Wolff has voting power. Also includes 13,000 shares owned by the Wolff Family Trust. As a trustee of the Wolff Family Trust, Mr. Wolff may be deemed to beneficially own the shares owned by the Wolff Family Trust.
(3) Includes 10,021 shares underlying unvested RSAs over which Mr. Boyle has voting power.
(4) Includes 3,410 shares underlying unvested RSAs over which Ms. Harris has voting power.
(5) Includes 7,920 shares underlying unvested RSAs over which Mr. Benett has voting power.

(6) Includes 3,401,719 shares owned by PL Capital Advisors (as defined in Note 4 to the Stock Ownership of Greater than 5 Percent Stockholders table above); Mr. Lashley is a managing member of PL Capital Advisors and therefore may be deemed to beneficially own these shares. Also includes 15,049 shares held directly by Mr. Lashley, and 10,000 shares held by the Richard Lashley Roth IRA.
(7) Includes 10,532 shares underlying unvested RSAs over which Mr. Schnel has voting power.
(8) Includes 8,724 shares underlying unvested RSAs over which Mr. Sznewajs has voting power.
(9) Includes 1,461,945 shares owned by Patriot Financial Partners II, L.P., Patriot Financial Partners Parallel II, L.P., and Patriot Financial Manager, L.P. (Patriot Partners); as a managing member of Patriot Partners, Mr. Wycoff may be deemed to beneficially own these shares. Also includes 65,058 shares held directly by Mr. Wycoff.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company’s directors and executive officers, and persons who beneficially own more than 10 percent of the Company’s voting common stock, to report to the SEC their initial ownership of the Company’s equity securities and any subsequent changes in that ownership. Specific due dates for these reports have been established by the SEC and the Company is required to disclose in this report any late filings or failures to file.

To the Company’s knowledge, based solely on our review of the copies of these reports furnished to the Company and written representations that no other reports were required during the fiscal year ended December 31, 2018, all Section 16(a) filing requirements applicable to the Company’s officers and directors during 2018 were met, except for inadvertent failures by: (i) Mr. Gagnon to timely file a Form 3 following the effective date of his appointment as Chief Credit Officer on February 7, 2018; (ii) Mr. Smith to timely file a Form 3 following his appointment as Chief Accounting Officer on September 4, 2018; (iii) Mr. Lashley to timely file a Form 4 to report an acquisition of 5,250 restricted stock units for service on the Board of Directors granted September 6, 2018; and (iv) Mr. Wycoff to timely file a Form 4 to report the sale on November 30, 2018 of 83 shares of common stock by Patriot Financial Partners, L.P. and the sale of 41 shares of common stock by Patriot Financial Partners Parallel, L.P., both of which entities are controlled by Mr. Wycoff.

PROPOSAL I

Proposal IELECTION OF DIRECTORS

General

The Company's Board of Directors currently consists of nine directors. Since the 2018 annual meeting of stockholders and as previously reported, the Board (i) appointed B. A. Fallon-Walsh as a Class I director of the Company, effective September 1, 2018; (ii) accepted the separation of Douglas H. Bowers as the Company's President and Chief Executive Officer and as a Class II director of the Company, effective March 18, 2019; and (iii) appointed Jared M. Wolff as the Company's President and Chief Executive Officer and as a Class II director of the Company, effective March 18, 2019.

Prior to our 2017 annual meeting of stockholders, our directors were split into three classes, with members of each class generally serving for three-year terms that expired in successive years. However, at our 2017 annual meeting of stockholders, stockholders approved an amendment to our corporate charter to progressively declassify the Board. Directors serving three-year terms at that time continue to serve until the end of their respective terms. As the term for each class of directors expires, directors are elected to one-year terms until each of the classes expires, resulting in the entire Board standing for re-election for one-year terms. As shown below, six of our nine directors are nominated for re-election at the Annual meeting, and all nine directors will stand for re-election at the 2020 annual meeting of stockholders and at each annual meeting of stockholders thereafter.

PROPOSAL I

The existing terms of the Class I directors, which include Mary A. Curran, Richard J. Lashley, Jonah F. Schnel, B. A. Fallon-Walsh, Bonnie G. Hill and W. Kirk Wycoff, will expire at the Annual Meeting. Mses. Curran and Fallon-Walsh, Dr. Hill and Messrs. Lashley, Schnel and Wycoff have all been nominated for re-election, each for a one-year term that will expire at the 2020 annual meeting of stockholders. See Six Nominees for Director at the Annual Meeting.

Current Board of Directors

Details about the current Board of Directors, including their class, qualifications, and committee memberships are reflected in the table below.

Name	Age [1]	Director Since	Class [2]	Related Qualifications	Principal Occupation	Committee Memberships A	CHC	NCG	ALC	CR	ER
Benett, Halle J.	52	2013	II		Managing Director and Head of Diversified Financial Services Investing, Melody Capital Partners			C			
*Curran, Mary A.	62	2017	I		Former Executive Vice President and Corporate Banking Chief Risk Officer, MUFG Union Bank					C	
*Fallon-Walsh, B.A.	67	2018	I		Former Division Head of Institutional Retirement Plan Services, The Vanguard Group						
*Hill, Bonnie G.	77	2017	I		President, B. Hill Enterprises, LLC						
*Lashley, Richard J.	60	2017	I		Principal and Managing Member, PL Capital Advisors, LLC	C					
	46	2013	I								C

*Schnel, Jonah F.				Chair and President, Fast A/R Funding				
Sznewajs, Robert D.	72	2013	II	Former President and Chief Executive Officer, West Coast Bancorp	IC			
Wolff, Jared M.	50	2019	II	President and Chief Executive Officer, Banc of California, Inc. and Banc of California, N. A.			C	
*Wycoff, W. Kirk	61	2017	I	Managing Partner, Patriot Financial Partners				

Accounting and Financial Expertise
Banking Industry Experience
Banking Regulatory Experience
Compensation and Employee Benefits
Corporate Governance
Executive Leadership
Risk Management Expertise
Financial Expert

* – Director Nominee
A – Audit
ALCO – ALCO
CHC – Compensation and Human Capital
CR – Credit
ER – Enterprise Risk
NCG – Nominating and Corporate Governance
C – Chair
IC – Interim Chair

(1) As of April 15, 2019.
(2) Effective at the conclusion of the Annual Meeting, Class I will be eliminated with all re-elected members reclassified as Class II directors with terms expiring at the 2020 annual meeting of stockholders.

PROPOSAL I

Director Nominations and Proposals by Stockholders

Director nominations by stockholders and stockholder proposals must be made pursuant to timely notice in writing to the Corporate Secretary, as set forth in Section 1.09 of the Company's bylaws. A stockholder's notice must be received by the Company not less than 90 days, nor more than 120 days, prior to the first anniversary of the preceding year's annual meeting to be considered timely. If, however, the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from the prior year's date, notice by the stockholder must be delivered not earlier than 120 days prior to the date of the meeting and not later than the close of business on the later of the 90th day prior to the date of the meeting or the 10th day following the day on which notice of the date of the meeting was mailed or public announcement of the date of the meeting was first made. The stockholder's notice must also include the information set forth in Section 1.09 of the Company's bylaws. The Company's bylaws contain additional notification requirements for stockholder proposals, regardless of whether they are submitted for inclusion in the Company's proxy materials.

Six Nominees for Director at the Annual Meeting

At the recommendation of the Nominating and Corporate Governance Committee (the Nominating Committee), the Board has nominated Mary A. Curran, B. A. Fallon-Walsh, Richard J. Lashley, Jonah F. Schnel, Bonnie G. Hill and W. Kirk Wycoff, for re-election, each for a one-year term.

Mses. Curran and Fallon-Walsh, Dr. Hill and Messrs. Lashley, Schnel and Wycoff have each consented to being named as a director nominee in this proxy statement and agreed to serve if re-elected. Further, each qualifies as an independent director under the Corporate Governance Listing standards of the New York Stock Exchange (NYSE), as applied in accordance with the Company's Corporate Governance Guidelines.

Set forth below is information about the six director nominees, including their principal occupation, business experience and qualifications to serve on the Board of Directors.

The Board of Directors unanimously recommends that you vote FOR Mses. Curran and Fallon-Walsh, Dr. Hill and Messrs. Lashley, Schnel and Wycoff.

PROPOSAL I

Director Nominees with Terms Expiring at the Annual Meeting - Class I

Mary A. Curran

Independent Director

Class I

Age: 62

Ms. Curran spent 25 years at MUFG Union Bank, N.A., during which time she held several executive level positions, including Executive Vice President, Corporate Banking Chief Risk Officer from 2011 to 2014, and Executive Vice President, Head of The Private Bank at Union Bank from 2006 to 2011. During her time with Union Bank, Ms. Curran worked closely with its board and management to build an infrastructure focused on a strong, proactive, integrated and effective risk management. Ms. Curran was also tasked with improving the performance of Union Bank's Wealth Management practice, a business unit with offices throughout California, Washington and Oregon. Prior to 2006, she spent 17 years in leadership roles in commercial banking.

Ms. Curran recently served as Chair of San Diego State University's Campanile Foundation Board and Executive Committee, and currently chairs the university's Nominating and Governance Committee and serves on the university's Athletics Committee. She also serves on the Board of Directors, Nominating/Governance Committee and Compensation Committee for Hunter Industries, a privately held global irrigation, landscape lighting and custom manufacturing company. Previous board service includes: Chair of the California Bankers Association where she remains involved on the Banker Benefits Board, and Chair of the San Diego Sports Commission. Ms. Curran is a current member of the Corporate Directors Forum, San Diego, The Corporate Director's Roundtable of Orange County, Women Corporate Directors and the National Association of Corporate Directors (NACD). Ms. Curran is a NACD Governance Fellow, and holds a Bachelor of Science degree in Journalism from the University of Colorado, Boulder and a Master's degree in Business from San Diego State University.

Ms. Curran's broad range of experience in the financial services industry and community involvement, especially in California, as well as her prior business and leadership positions, have enhanced the Board's perspective. Her leadership and knowledge, specifically in credit and risk management as Chair of the Credit Committee, have been vital to the Company's risk framework and objectives.

B. A. Fallon-Walsh

Independent Director Class I Age: 67	Ms. B.A. Fallon-Walsh has more than 35 years of experience in the banking and financial services industry. From 1995 until her retirement in 2012, Ms. Fallon-Walsh was with The Vanguard Group, where she led High Net Worth Services, Core Investor Services, Institutional Marketing and Institutional Retirement Plan Services, among other leadership positions. During her time at Vanguard, Ms. Fallon-Walsh also held Series 7, 63 and 24 securities licenses. Prior to joining Vanguard, she was an Executive Vice President with Bank of America and a predecessor company, Security Pacific Bank, in California. Her banking leadership roles included retail banking, strategic planning, marketing, product management and electronic delivery, residential mortgage, product development and secondary marketing. Ms. Fallon-Walsh currently serves on the board of directors of Alliance Bernstein (NYSE: AB), where she chairs the Compensation and Workplace Practices Committee and the Corporate Governance Committee. She also serves on the board of directors of MONY Life Insurance Company of America, an indirect subsidiary of AXA Equitable Holdings, Inc. (NYSE: EQH), and chairs the Investment Committee. In addition, Ms. Fallon-Walsh is a member of the Betterment for Business Advisory Board. Previous board service on other AXA companies includes Paris-based AXA Investment Managers and its subsidiaries. Ms. Fallon-Walsh received the Chairman's Award for Outstanding Board Service from the Main Line Chamber of Commerce and is currently a director of the Lewes Yacht Club and chairs their Leadership Development Committee. She is a member of Women Corporate Directors and the NACD. Ms. Fallon-Walsh received a Bachelor's degree, summa cum laude, in Liberal Arts and Management from Northeastern University and a Master's degree in Business Administration from Harvard Business School. Ms. Fallon-Walsh's comprehensive background in the financial services industry, particularly within California, as well as her board experience and leadership expertise in banking have enriched the Board's perspective.

PROPOSAL I

Bonnie G. Hill

Independent Director

Class I

Age: 77

Dr. Hill has served as the President of B. Hill Enterprises, LLC, a consulting firm focusing on corporate governance, board organizational and public policy issues since 2001. She is also co-founder of Icon Blue, a brand marketing company founded in 1998 and based in Los Angeles. Dr. Hill has over 25 years of experience serving on numerous corporate boards with a wide-ranging career in business, government, education, and philanthropy. Currently, Dr. Hill is a faculty member of the NACD Board Advisory Services Program, a founding member of the Lead Directors Network, and sits on the Ira M. Millstein Center for Global Markets and Corporate Ownership Advisory Committee for Columbia Law School and the National Board of 2020 Women on Corporate Boards. Dr. Hill has also served on numerous public company boards, including the California Water Service Group (NYSE: CWT), The Home Depot, Inc. (NYSE: HD), Yum! Brands, Inc. (NYSE: YUM) and AK Steel Holding Corp. (NYSE: AKS). Dr. Hill also co-chaired the 2016 NACD Blue Ribbon Commission Report on Building the Strategic-Asset Board, served on the board of Financial Industry Regulatory Authority Investor Education Foundation and is a former member of Public Company Accounting Oversight Board Investor Advisory Group.

From 1997 to 2001, Dr. Hill served as President and Chief Executive Officer of The Times Mirror Foundation and as Senior Vice President, Communications and Public Affairs, for the Los Angeles Times. From 1992 to 1997 she served as Dean of the McIntire School of Commerce at the University of Virginia, and prior to that, Secretary of the State and Consumer Services Agency for the State of California. Dr. Hill has held a variety of presidential appointments, including Vice Chair of the Postal Rate Commission and Assistant Secretary in the U.S. Department of Education under President Reagan, and as Special Adviser to President George H. W. Bush for Consumer Affairs. She has chaired the SEC's Consumer Affairs Advisory Committee and served on the board of directors of NASD Regulation, Inc. Dr. Hill also served as Vice President with Kaiser Aluminum and Chemical Corporation, and recently was honored with the Lifetime Achievement Award by the Forum for Corporate Directors. Dr. Hill has a Bachelor of Arts degree from Mills College, a Master of Science degree from California State University, Hayward, and a Doctorate of Education from the University of California at Berkeley.

Dr. Hill's extensive background in board leadership and corporate governance has significantly supported the Company's efforts to improve its corporate governance practices and broaden the Board's perspective.

Richard J. Lashley

Mr. Lashley is Managing Member of PL Capital Advisors, LLC, a SEC-registered investment advisory firm, and co-founder of PL Capital, LLC, a firm founded in 1996. PL Capital Advisors specializes in the

Independent Director

Class I

Age: 60

banking industry and was named by the American Banker as one of the top community bank investors in the country. PL Capital is also one of the Company's largest stockholders. Mr. Lashley's primary responsibilities at PL Capital Advisors include portfolio management and research. Mr. Lashley has extensive experience serving on the boards of directors of numerous publicly-held and privately-held banks throughout the United States, including current service on the boards of directors of MutualFirst Financial, Inc. (NASDAQ: MFSF) and its subsidiary bank, MutualBank, and prior service on the boards of directors of Metro Bancorp, Inc. State Bancorp, Inc. and BCSB Bancorp, Inc. Mr. Lashley also has diverse experience as Chairman and/or member of numerous board committees. From 1994 to 1996, he was a Director in KPMG LLP's corporate finance group, where he led a team providing merger and acquisition advisory services to banks throughout the country. From 1984 to 1993 he worked for KPMG LLP as a CPA, providing professional accounting services to banks and other financial services companies in New York and New Jersey. From 1992 to 1993 he served as the Assistant to the Chairman of the AICPA Savings Institution Committee in Washington D.C. Mr. Lashley received his Master's degree from Rutgers University and a Bachelor of Science degree from Oswego State University. He is licensed as a CPA in New Jersey (status inactive).

Mr. Lashley's extensive experience at KPMG LLP providing professional accounting and advisory services, as well as his service on numerous bank boards and his experience at PL Capital managing investments in the banking industry enable him to be a significant contributor to the Board. Mr. Lashley was appointed as a director pursuant to a Cooperation Agreement between the Company and PL Capital Advisors and its affiliates dated as of February 8, 2017. For additional information, regarding the Cooperation Agreement, see Other Transactions with Related Persons. Mr. Lashley is a Board designated "audit committee financial expert" and serves as Chair of the Audit Committee.

PROPOSAL I

Jonah F. Schnel

Independent Director

Class I

Age: 46

Mr. Schnel is the Chairman and President of Fast A/R Funding, a private company focused on lending to small businesses throughout the United States. Presently, Mr. Schnel also manages Timco CNG, a company operating public-access, compressed, natural gas stations in Southern California. Previously, Mr. Schnel led the recapitalization of National Capital Management, an acquirer and servicer of distressed consumer debt, and assisted management during that company’s significant growth through its acquisition by Portfolio Recovery Group, Inc. in 2012. Prior to that, Mr. Schnel was a Partner at ITU Ventures for seven years, a venture capital firm making early-stage investments in technology companies associated with innovation emerging from leading research universities in the United States. Earlier in his career, Mr. Schnel worked as a manager at SunAmerica Investments, Inc. in the real estate investment division with a primary focus on first lien lending in a diversified range of commercial real estate assets. Mr. Schnel currently serves as the Chair and President of the Southern California Chapter of the Tourette Association of America. Mr. Schnel completed the director training and certification program at the UCLA Anderson School of Management and received his Bachelor’s degree, summa cum laude, from Tulane University.

Mr. Schnel’s diverse experience in founding and managing numerous privately-held companies and investments in various industries such as specialty finance and lending, alternative energy, gaming and technology, as well as his proficiency in commercial real estate and managerial oversight of a diverse set of finance-related businesses, has considerably strengthened the Board. More recently, Mr. Schnel received training and completed the cybersecurity certification program with respect to managing risk in the Information Age through Harvard University.

As Chair of the Enterprise Risk Committee, his leadership, knowledge and experience are key assets to the oversight and risk-management of the Company’s strategic plan and regulatory obligations.

W. Kirk Wycoff

Mr. Wycoff is Managing Partner of Patriot Financial Partners, a private equity fund headquartered in Philadelphia holding committed capital of $650 million, maintaining a long only, value-oriented buy and hold strategy designed to provide growth capital to financial services companies that require additional equity to grow. Prior to joining Patriot Financial Partners, Mr. Wycoff served as Chairman and Chief Executive Officer of Continental Bank Holdings, a de novo community bank serving the Philadelphia metro market, from 2005 to 2007, and from 1991 to 2004 he served as Chairman, Chief Executive

Independent Director Class I	Officer and President of Progress Financial Corp. and Progress Bank. He currently serves on the board of directors of Porter Bancorp (NASDAQ: PBIB), Radius Bank and U.S. Century Bank, and recently served as a director of Guaranty Bancorp (NASDAQ: GBNK) and its subsidiary, Guaranty Bank and Trust Company, and Heritage Commerce Corp. (NASDAQ: HTBK) and its subsidiary, Heritage Bank of Commerce. Previous board positions held by Mr. Wycoff include Square 1 Financial, Inc., NewSpring Ventures-Fund I, NewSpring Mezzanine Fund as well as service on the board of The Lincoln Center during which he served as Chair of its Finance Committee. He received a Bachelor of Arts degree in Business Administration and Finance from Franklin & Marshall College.
Age: 61	Mr. Wycoff's 40 years in the banking industry, which includes over 18 years of experience as an executive officer and more than 10 years in various director positions, brings extensive leadership and community banking experience to our Board, including executive management, risk, credit and resolution experience, risk assessment skills and public company expertise. As the Managing Partner of Patriot Financial Partners, he also provides the perspective of a significant investor in the Company.

PROPOSAL I

Continuing Directors with Terms Expiring at the 2020 Annual Meeting of Stockholders – Class II

Set forth below is information about the directors whose terms of office continue beyond the Meeting, including each individual's principal occupation, business experience and qualifications to serve on the Board of Directors.

Halle J. Benett

Independent Director

Class II

Age: 51

Mr. Benett has been the Managing Director and Head of Financial Services Investing at Melody Capital Partners since September 2016, for which his work frequently brings him to California. Prior to that, Mr. Benett was the Managing Director and Head of Diversified Financials Investment Banking at Keefe, Bruyette & Woods, a Stifel Company. Mr. Benett has completed over 100 equity and debt capital raises in addition to having participated in more than 40 merger and acquisition transactions. Before joining Keefe, Bruyette & Woods in 2014, Mr. Benett was a Senior Advisor for Ares Management, working with the firm's capital markets, private debt, private equity and real estate groups. Prior to that, Mr. Benett spent 16 years at UBS Financial Institutions, Investment Banking in the Americas serving as the head from 2011 through 2013 and as co-head from 2008 through 2010. Prior to that, Mr. Benett served as Global Head of Specialty Finance at UBS Investment Bank after having advanced from his role with the company as Managing Director. Mr. Benett began his career at Ryan, Beck & Co. and received his Master's degree in International Affairs from Columbia University and a Bachelor's degree in Political Science and History from Rutgers University.

Mr. Benett's wide range of experience in the financial services industry, including having worked with banks, thrifts, mortgage companies, insurance companies, alternative asset management companies and specialty finance companies, has considerably broadened the Board's perspective. Mr. Benett also serves as a board-designated "audit committee financial expert" as a member of the Audit Committee.

Robert D. Sznewajs

Chair, Independent Director Class II Age: 72	Mr. Sznewajs was the President and Chief Executive Officer of West Coast Bancorp from 2000 to 2013, an Oregon-based bank holding company which was sold in 2013 with $2.5 billion in assets. Mr. Sznewajs has held a variety of executive level roles in large financial services institutions, including Vice Chair of U.S. Bancorp; President and Chief Operating Officer of BankAmericard; Executive Vice President and Manager of Valley National Bancorp; and President and Chief Executive Officer of Michigan National Bank. In addition to nearly 40 years of experience in the areas of regulatory matters, operations and technology, consumer and commercial banking, sales and marketing, management of investment portfolios and mergers and acquisitions, Mr. Sznewajs has also served on several boards and executive committees, namely Outerwall, Inc. (formerly Coinstar); the Portland Branch Board of the Federal Reserve Bank of San Francisco; the Oregon's Bankers Association; the United Way; the Association for Corporate Growth; and the Bates Group, LLC. Mr. Sznewajs received both his Master's and Bachelor's degrees from the University of Detroit and is a licensed CPA (status inactive). In addition to Mr. Sznewajs' responsibilities as the Board Chair, he is one of the Company's Board-designated "audit committee financial experts" and serves as Interim Chair of the Compensation and Human Capital Committee (the Compensation Committee). His broad and deep experience in the banking industry, including having been the Chief Executive Officer of a publicly-held bank holding company, makes him a particularly valued member of the Board.

PROPOSAL I

Jared M. Wolff

Non-Independent Director Class II Age: 50	Mr. Wolff was appointed as President and Chief Executive Officer of the Company and the Bank and as a Class II director on the Board of the Company and Chair of the Board of the Bank effective March 18, 2019. Prior to joining the Company, Mr. Wolff served as Executive Vice President, General Counsel and Corporate Secretary of City National Bank from May 2018 to March 2019, and as Deputy General Counsel from January 2018 to April 2018. At City National, he was a member of the Executive Committee and oversaw the Legal and Corporate Administrative Group, among other areas. Prior to City National, from 2015 to 2017, Mr. Wolff served as Co-Managing Partner of Quarter Group, LLC, a real estate investment company focused on acquiring urban property. From 2002 until 2014, Mr. Wolff was a senior executive at PacWest Bancorp (NASDAQ: PACW) where he served in numerous roles, including as General Counsel of PacWest, and as a member of the Board of Directors and President of its wholly owned subsidiary, Pacific Western Bank. As President of the commercial bank subsidiary, Mr. Wolff was responsible for overseeing the regional commercial banking teams for the bank throughout California and establishing initiatives for the bank as a whole. He was also a member of the bank's Executive Asset and Liability Management Committee as well as the bank's Credit Committee. As General Counsel of the public holding company, Mr. Wolff had primary responsibility for corporate governance, corporate regulatory compliance and execution of M&A activity, including PacWest's $2.3 billion acquisition of CapitalSource (NYSE: CSE). During his tenure at PacWest, he also oversaw internal audit, deposit gathering, regional lending, risk management, and marketing, among other areas. Mr. Wolff received his Bachelor's degree from Duke University, his Master's degree in French Language and Literature from Middlebury College and his Juris Doctorate from the University of Michigan Law School. As a veteran California banking executive with deep expertise in finance, law and risk management, Mr. Wolff is a valuable addition to the Board.

CORPORATE GOVERNANCE MATTERS

Corporate Governance Framework

Our Board of Directors and management are committed to sound and effective corporate governance practices. We established and utilize a comprehensive corporate governance framework that consists of policies and programs that not only satisfy applicable regulatory requirements but also are intended to build value for the Company's stockholders.

The key components of our corporate governance framework are set forth below:

Corporate Governance Guidelines The Company's Corporate Governance Guidelines provide a framework for effective governance of the Company and its subsidiaries. These guidelines are reviewed periodically by the Nominating Committee,	**Related Party Transaction Policy** The Company's Related Party Transaction Policy restricts transactions with related parties by imposing rigorous standards, with the expectation that such transactions will be rare. The policy establishes protocols for prior review of proposed related party transactions and requires that they be in, or not inconsistent with, the best interests of the Company and its stockholders. For more information about this policy, see Transactions with Related Persons.

and, based upon their review, any revisions believed to be in the best interests of the Company are then recommended to the Board for review and approval.

Outside Business Activities Policy

The Company’s Outside Business Activities Policy, which supplements the Ethics Code, tightens controls on outside business activities of officers and employees and requires non-employee directors to refrain from engaging in outside business activities that create an actual or apparent conflict of interest. For more information about this policy, see Transactions with Related Persons.

Code of Business Conduct and Ethics

The Company’s Code of Business Conduct and Ethics (the Ethics Code) applies to all directors, officers and employees of the Company and its subsidiaries. The Ethics Code is intended to require that all employees and directors adhere to high ethical standards and is reviewed by the Board on a regular basis.

Stock Ownership Guidelines

The Board has determined that long-term, significant equity ownership by all directors and senior officers is in the best interest of the Company and serves to align the interests of the directors and senior officers with the interests of the Company's stockholders. To that end, the Board has adopted the following stock ownership guidelines:

As required by the Company's Corporate Governance Guidelines, directors are expected to own stock or stock equivalents with a value equal to five times the then-current annual base cash retainer by the end of the fifth fiscal year following their appointment to the Board. We evaluate stock ownership of our directors annually, on the last day of our fiscal year. As of December 31, 2018, based on the NYSE closing stock price per share of our voting common stock on that day, each of the directors then serving on the Board were in compliance with the Stock Ownership Guidelines then in effect.

Stock ownership guidelines are also applicable to senior officers as described in more detail below. See Compensation Discussion and Analysis—Stock Ownership Guidelines.

Directors are expected to be long-term stockholders and to refrain from selling stock other than for legitimate tax, estate planning, or portfolio diversification purposes. Other than sales through Rule 10b5-1 plans or similar automated selling programs or sales to pay taxes on compensation paid by the Company, directors are required to provide six-months' notice of any planned sale by such director (or any of his or her affiliates or immediate family members) unless prior approval is received from the Board of Directors.

Insider Trading Policy

Directors, officers and employees are obligated to comply in all respects with the Ethics Code and the Company's Insider Trading Policy, as well as all Company black-outs or similar trading restrictions as communicated by the General Counsel.

Public Communications Policy

The Public Communications Policy, overseen by the Audit Committee, allows for more oversight and involvement by the Board and enhances the shared accountability for and the review of all public communications by the Company.

CORPORATE GOVERNANCE MATTERS

Evaluating the Board's Effectiveness

The Board and each of its principal standing committees (Audit, Compensation and Nominating) conduct an annual self-assessment aimed at enhancing their effectiveness. As part of the self-assessment process, each Board and committee member provides feedback on a range of topics relevant to the performance and effectiveness of the Board and the applicable committee. In addition, members of the Board participate in a peer evaluation of their fellow directors and provide comments on their own skills and qualifications. The Chair of the Board then meets separately with each director to discuss the results of the peer evaluations and individual self-assessments.

The results of the self-assessment process are aggregated and summarized for the Board and for each of the principal standing committees. Comments in the summaries are not attributed to individual Board or committee members to promote candor. The aggregated results and summary of the Board's self-assessment are presented to the Board for its review and discussion at a full Board meeting, at which time the Board considers what, if any, actions might be implemented to enhance future performance of the Board. In addition, each of the principal standing committees discusses the results of its self-assessment and any actions that might be taken to improve the committee's future performance.

The Nominating Committee considers the results of the self-assessment process when it periodically evaluates the size, structure and composition of the Board, as well as the role, composition and allocation of responsibilities among Board committees.

Consideration of Board Diversity

Throughout the director nomination process, the Nominating Committee seeks to achieve diversity amongst the members of Board by selecting director nominees with diverse opinions and perspectives that are representative of our industry. The Nominating Committee seeks to include members with diverse backgrounds, skills and experience, including appropriate financial and other expertise relevant to the business of the Company. While not a formal policy, the Company's director nomination processes call for the consideration of a range of types of diversity, including but not limited to race, gender, ethnicity, nationality and geography.

The Nominating Committee is committed to actively seek highly qualified women and minority candidates, as well as candidates with diverse backgrounds, skills and experience, to include in the pool from which Board nominees are chosen.

Director Education

In accordance with the Company's Corporate Governance Guidelines, all directors are expected to comply with the necessary continuing educational requirements which include, but are not limited to: (i) a component covering professional development in corporate governance; and (ii) a component which covers educational development in subject matter areas that are deemed relevant to the Company's business. In support of continuing education, the Company incurs reasonable expenses to facilitate any mandatory educational and professional development programs or any voluntary programs which the Nominating Committee may deem appropriate.

Additionally, each director is required to participate in the Company's compliance training program, wherein the Board is expected to complete annual compliance training overseen by the Company's Chief Compliance Officer.

Corporate Governance Documents

The full texts of the Corporate Governance Guidelines, the Code of Business Conduct and Ethics, and the charters of the Board's standing committees are publicly available under the "About Us" section on the Company's website at www.bancofcal.com by selecting Investor Relations/Governance Documents or you may obtain free copies by contacting the Company at:

Banc of California, Inc.

c/o John A. Bogler

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CORPORATE GOVERNANCE MATTERS

Director Independence

In accordance with the NYSE Corporate Governance Listing Standards and the Company's Corporate Governance Guidelines, the Board conducted its review of all relationships between the Company and each director and director nominee and has affirmatively determined that, with the exception of Mr. Wolff, none of them has a material relationship with the Company or any other relationship that would preclude his or her independence under the NYSE Corporate Governance Listing Standards. Accordingly, the Board has determined that each of our current directors, other than Mr. Wolff, is an independent director under the NYSE Corporate Governance Listing Standards, as applied in accordance with the Company's Corporate Governance Guidelines. Additionally, the Board has affirmatively determined that each member of the Audit Committee meets the independence and financial literacy requirements for audit committee membership under the NYSE Corporate Governance Listing Standards and SEC Rule 10A-3(b)(1), and each member of the Compensation Committee meets the independence and other requirements for compensation committee membership as set forth in the NYSE Corporate Governance Listing Standards. See Corporate Governance Matters—Role and Composition of the Audit Committee and—Role and Composition of the Compensation and Human Capital Committee for specific independence requirements.

Board Leadership Structure

The Board of Directors determined it to be in the best interests of the Board and the Company to separate the roles of the Chief Executive Officer and Chair of the Board. The Board believes this structure increases the Board's independence from management and, in turn, leads to better monitoring and oversight of management. Although the Board trusts that the Company is currently best served by separating the role of the Board Chair and the Chief Executive Officer, the Board periodically reviews and discusses the continued appropriateness of this structure.

The Chair of the Board presides at meetings of the Board of Directors and at executive sessions of independent (non-employee) directors, and exercises leadership of Board operations. In the event the Chair of the Board is unable to act or is otherwise available, the Chair of the Nominating Committee will discharge the duties of the Chair of the Board.

Risk Oversight

The Boards of Directors of the Company and the Bank oversee the risk profile of the Company and its subsidiaries and management's process for assessing and managing risks, both as a whole as well as through the Company and Bank Boards' committees. The Boards have two primary methods for overseeing risk. The first method is oversight by each Board as a whole and the second method is through the Enterprise Risk Committee, Credit Committee and ALCO Committee of the Boards of the Company and the Bank. The Enterprise Risk Committee is primarily focused on assisting the Boards in discharging their oversight duties with respect to risk management activities, including the establishment of the Company's enterprise risk management framework and associated policies and practices. The Credit Committee is mainly focused on assisting the Boards in their monitoring and oversight of credit processes and asset quality, and compliance with applicable regulatory requirements. The ALCO Committee assists the Boards in their monitoring and oversight of asset and liability strategies, liquidity and capital management to maintain compliance with applicable regulatory requirements. In accordance with its charter, the Enterprise Risk Committee is responsible for ensuring that the Company has in place an appropriate enterprise-wide framework and processes to identify, prioritize, measure and monitor significant risks, including, without limitation, operational, technology, information security, compliance, legal, reputational, strategic, credit, interest rate and liquidity risks, with the management of credit risk and interest rate risk primarily being overseen by the Credit Committee and ALCO Committee, respectively.

During 2018, the Enterprise Risk Committee, Credit Committee, ALCO Committee and the full Board received reports from executive management and employees who oversee day-to-day risk management duties on the most critical strategic issues and risks facing the Company. The Boards, Enterprise Risk Committee, Credit Committee and ALCO Committee also received reports from the Company’s Chief Risk Officer, Chief Compliance Officer, Chief Financial Officer, Chief Internal Audit Officer, the Company’s independent auditors, third-party advisors, and other executive management regarding compliance with applicable laws and regulations, risk-related policies, procedures and limits in order to ensure compliance by properly evaluating the effectiveness of the Company’s risk controls.

Cybersecurity risk is a key consideration in the operational risk management capabilities at the Company. Under the direction of its Chief Information Security Officer, the Company maintains a formal information security management program, which is subject to oversight by, and reporting to, the Enterprise Risk Committee. Given the nature of the Company's operations and business, including the Company's reliance on relationships with various third-party providers in the delivery of financial services, cybersecurity risk may manifest itself through various business activities and channels, and it is thus considered an enterprise-wide risk which is subject to control and monitoring at various levels of management throughout the business. The Enterprise Risk Committee oversees and reviews reports on significant matters of corporate security, including cybersecurity. The Company also maintains specific cyber insurance through its corporate insurance program, the adequacy of which is subject to review and oversight by the Enterprise Risk Committee as well.

The Enterprise Risk Committee, Credit Committee and ALCO Committee may address risks directly with management, or, where appropriate, may elevate a risk for consideration by the full Boards, respectively. In addition to these committees, the other Board committees monitor risk aspects relevant to their respective areas of responsibility through direct interactions with management.

CORPORATE GOVERNANCE MATTERS

Board Composition and Meetings

During 2018, each director attended at least 75 percent of the aggregate of (i) the total number of meetings of the Company's Board of Directors held during the portion of the year he or she was a director and (ii) the total number of meetings held by all Board committees on which he or she served during the periods in which he or she served.

Although not required, the Board of Directors generally requests that directors attend the Company's annual meeting of stockholders and that the Board Chair attends the Meeting and, if the Chair is not an independent director, the Board generally requests that an independent (non-employee) director attend the Meeting to represent such directors. The 2018 annual meeting of stockholders was attended by all directors serving at that time, including the one director whose term expired at the conclusion of that meeting and who declined to stand for re-election.

The current composition of the Company Board is reflected below. All members of the Company Board also currently serve as directors of the Bank, each for a one-year term, with Mr. Wolff serving as Chair of the Board of Directors of the Bank.

Robert D. Sznewajs, Chair

Halle J. Benett	Richard J. Lashley
Mary A. Curran	Jonah F. Schnel
B. A. Fallon-Walsh	Jared M. Wolff
Bonnie G. Hill	W. Kirk Wycoff

Regular meetings of the Company's Board of Directors were held on a quarterly basis during 2018, with additional, special meetings held as needed. Which also provided for executive sessions of independent directors without the presence of management. Likewise, separate sessions of only independent directors were held regularly or when determined by the independent directors to be necessary. Meetings held during the fiscal year ended December 31, 2018, as well as actions taken in the form of a unanimous written consent by the Board in lieu of holding a special meeting is set forth below.

Company Board Meetings and Actions	Total
Regular Meetings	5
Special Meetings	14
Actions by Unanimous Written Consent	4
Annual Total	23

CORPORATE GOVERNANCE MATTERS

Committee Composition of the Board of Directors and Meeting Attendance

The Board of Directors of the Company currently has six standing committees. Since all current members of the Company Board also serve as directors of the Bank, each of these committees is a joint committee of the Boards of Directors of the Company and the Bank. The Nominating Committee is responsible for evaluating the structure, composition and duties of each Board committee and recommending any changes to the Board. The table below reflects the current composition of, and the number of meetings held (and actions taken by unanimous written consent) during the fiscal year ended December 31, 2018 by, the Board committees:

Board Member	Audit	Compensation	Nominating	ALCO	Credit	Enterprise Risk
Benett	M		C	M		
Curran					C	M
Fallon-Walsh		M				M
Hill		M	M			
Lashley	C		M	M		
Schnel			M		M	C
Sznewajs	M	C*				
Wolff				C**	M	M
Wycoff		M	M	M		
Meetings Held in 2018	10	11	12	4	8	4
Actions by Unanimous Written Consent in 2018	—	—	1	—	—	—

* Interim Chair

** Effective March 18, 2019. During 2018, the Chair was the Company's former President, Chief Executive Officer and Director, Douglas H. Bowers.

CORPORATE GOVERNANCE MATTERS

Role and Composition of the Audit Committee

The following table reflects further information regarding the principal roles and responsibilities of the Audit Committee. For a more comprehensive description, please refer to the Audit Committee charter, which is publicly available under the "About Us" section on the Company's website at www.bancofcal.com by selecting Investor Relations/Governance Documents. The Audit Committee's Report is included on page 69 of this proxy statement.

Name, Composition and Board Determinations	Responsibilities	Required Meeting Frequency
Audit Committee Richard J. Lashley, Chair Halle J. Benett Robert D. Sznewajs After review of each individual's employment experience and other relevant factors, the Board has determined that each member has met the independence and financial literacy requirements set forth in the NYSE Listed Company Manual as well as the regulations of the Federal Deposit Insurance Corporation, and any additional requirements specific to audit committee membership. Further, the Board has affirmatively determined that each member of the Audit Committee is financially literate and at least one member is designated as an "audit committee financial expert" as defined by the SEC.	Hiring, terminating and/or reappointing the Company's independent registered public accounting firm. Monitoring and oversight of the qualifications, independence and performance of the Company's internal auditors and independent registered public accounting firm. Approving non-audit and audit services to be performed by the independent registered public accounting firm. Reviewing the annual audit report prepared by the Company's independent registered public accounting firm. Monitoring and oversight of the integrity of the Company's financial statements and financial accounting practices. Monitoring and oversight of the accounting and financial reporting processes of the Company and the audits of the Company's financial	Not less than four times annually. May convene additional meetings from time to time as necessary or appropriate.

statements.

Monitoring and oversight of the effectiveness of the Company's internal control over financial reporting and compliance with legal and regulatory requirements.

Reviewing and assessing the adequacy of the Audit Committee charter on an annual basis.

Based on the recommendations of the Nominating Committee, the Board has determined that Messrs. Lashley, Benett and Sznewajs each qualify as an "audit committee financial expert," as defined in Item 407(d)(5) of SEC Regulation S-K, and that each member of the committee meets the independence and financial literacy requirements for audit committee membership under the NYSE Listed Company Manual.

The Board made qualitative assessments of the levels of knowledge and experience of Messrs. Lashley, Benett and Sznewajs based on a variety of factors.

CORPORATE GOVERNANCE MATTERS

Name, Composition and Board Determinations	Responsibilities	Required Meeting Frequency
	In the case of Mr. Lashley, the Board considered his extensive experience in providing professional accounting and advisory services, as well as his service on numerous bank boards and audit committees and his experience at PL Capital managing investments in the banking industry for more than 20 years. Mr. Lashley is a certified public accountant (status inactive). In the case of Mr. Benett, the Board considered his approximately 23 years of experience working as an investment banker with financial services companies, through which he has acquired a broad and deep knowledge of financial, accounting and audit-related matters and extensive experience analyzing and evaluating financial statements. In the case of Mr. Sznewajs, the Board considered his formal education, extensive finance background, expertise in the areas of management, operations and technology, consumer and commercial banking, sales and marketing, investment portfolios and regulatory matters in addition to mergers and acquisitions. With more than 39 years in banking, Mr. Sznewajs has held a variety of executive level positions in financial services organizations across the United States in community and large banks, and was the Chief Executive Officer of a publicly held bank holding company. Mr. Sznewajs is a certified public accountant (status inactive).	

CORPORATE GOVERNANCE MATTERS

Role and Composition of the Compensation and Human Capital Committee

The following table reflects further information regarding the principal roles and responsibilities of the Compensation Committee. For a more comprehensive description, please refer to the Compensation Committee's charter, which is publicly available under the "About Us" section on the Company's website at www.bancofcal.com by selecting Investor Relations/Governance Documents. The report of the Compensation Committee is included on page 57 of this proxy statement.

Name, Composition and Board Determinations	Responsibilities	Required Meeting Frequency
Compensation and Human Capital Committee Robert D. Sznewajs, Interim Chair B. A. Fallon-Walsh Bonnie G. Hill W. Kirk Wycoff	Reviewing and approving director and officer compensation plans, policies and programs. Determining, or recommending to the Board for its determination, the compensation of the Company's Chief Executive Officer and other executive officers of the Company, as well as all other officers with total compensation of $1,000,000 or more.	Not less than two times annually. May convene additional meetings from time to time as necessary or appropriate.
After review of each member's experience and other relevant factors, the Board has determined that: each member is independent, as defined in the NYSE Listed Company Manual, including the additional independence requirements specific to the Compensation Committee membership set forth in the NYSE Listed Company Manual; at least two members are "non-employee directors" as defined in Rule 16b-3(b)(3)(i) promulgated under the Securities Exchange Act of 1934, as amended; all members are "outside directors" as defined for purposes of Section 162(m) and the regulations thereunder; and	Making recommendations to the Board as to the appropriate level of compensation and the suitable mix of cash and equity compensation for directors. Reviewing and recommending to the Board for approval, subject as necessary or appropriate to stockholder approval, stock option plans and other equity based compensation plans that permit payment in or based upon the Company's stock. Overseeing the talent planning and executive recruiting processes. Produce a report on executive compensation for inclusion in the Company's annual proxy statement and/or annual report on Form 10-K.	

each member meets the considerations specifically relevant to independence from management in connection with performing their duties relating to compensation as defined under the charter.

The charter of the Compensation Committee does not specifically provide for delegation of any of the authorities or responsibilities of the committee as it relates to compensation, other than the ability of the committee to form and delegate authority to subcommittees when appropriate. This includes the delegation of approval of award grants and other transactions and other responsibilities regarding the administration of compensatory programs to a subcommittee consisting solely of members of the Committee who are (i) “non-employee directors” as defined in Rule 16b-3(b)(3)(i) under the Securities Exchange Act of 1934, as amended; and/or (ii) “outside directors” as defined for purposes of Section 162(m). For information about the role of the Chief Executive Officer with respect to the Compensation Committee see Compensation Discussion and Analysis—Role of the Chief Executive Officer. None of the Company’s executive officers, including the Chief Executive Officer, has any role in determining the amount of director compensation. Director compensation is determined by the full Board after considering the recommendations of the Compensation Committee.

Additionally, the charter of the Compensation Committee authorizes the committee to select and retain compensation consultants, legal counsel or other advisors to advise the committee in carrying out its duties. See Compensation Discussion and Analysis—Role of Compensation Consultants.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee is a current or former officer or employee of the Company or any of its subsidiaries. No executive officer has served as a member of the Compensation Committee (or other board committee performing equivalent functions) or as a director of any other entity that has an executive officer serving as a member of the Compensation Committee or the Company’s Board of Directors.

For information regarding certain transactions to which the Company is a party in which Mr. Sznewajs, who currently serves as the interim Chair of the Compensation Committee, has or may have a direct or indirect material interest, see Other Transactions with Related Persons.

CORPORATE GOVERNANCE MATTERS

Role and Composition of the Nominating and Corporate Governance Committee

The following table reflects further information regarding the principal roles and responsibilities of the Nominating Committee. For a more comprehensive description, please refer to the Nominating Committee's charter, which is publicly available under the "About Us" section on the Company's website at www.bancofcal.com by selecting Investor Relations/Governance Documents.

Name, Composition and Board Determinations	Responsibilities	Required Meeting Frequency
Nominating and Corporate Governance Committee Halle J. Benett, Chair Bonnie G. Hill Richard J. Lashley Jonah F. Schnel W. Kirk Wycoff After review of each member's experience and other relevant factors, the Board has determined that each member is independent, as defined under the NYSE Listed Company Manual.	Nominating – Annually assess the independence of the Board members. – Identifying, screening and recommending to the Board candidates for membership on the Board, including director nominees proposed by stockholders, in accordance with the Company's bylaws and applicable law. Nominations from stockholders will be considered and evaluated using the same criteria as all other nominations. Final approval of any candidate shall be determined by the full Board. – Actively seek individuals qualified to become Board members for recommendation to the Board for appointment or nomination for election as directors. – As set forth in the Company's Corporate Governance Guidelines, the following are the minimum requirements for Board membership: (a) the director must possess a breadth and depth of management, business, governmental, nonprofit or professional experience, preferably in a leadership or policymaking role, that indicates the ability to make a meaningful contribution to the Board's discussion of and decision making on the array of complex issues which the Company faces and expects to face in the future; (b) the director must possess sufficient financial literacy or other professional business experience relevant to an understanding of the Company and its business that will enable such individual to provide effective oversight as a director; (c) the director must possess the ability to think and act independently, as well as the ability to work constructively in a collegial environment; (d) the director must demonstrate behavior that indicates that he or she is committed to the highest ethical standards; (e) the director must possess the ability to devote sufficient time and energy to the performance of his or her duties as a director; and (f) the director may not simultaneously serve on the board of directors or equivalent body of an organization that the Board reasonably determines (i) is a	Not less than two times annually. May convene additional meetings from time to time as necessary or appropriate.

CORPORATE GOVERNANCE MATTERS

Name, Composition and Board Determinations	Responsibilities	Required Meeting Frequency
	significant competitor or potential significant competitor of the Company or of a key vendor of the Company; or (ii) would otherwise benefit from access to the Company's intellectual property, strategic or other confidential or proprietary information. It is also desired that individual directors possess special skills, expertise and background that would complement the attributes of the other directors and promote diversity and the collective ability of the Board to function effectively. While the Board does not have a specific diversity policy, as stated above, our Corporate Governance Guidelines provide that the Nominating Committee should seek to promote diversity on the Board and the committee considers age, gender, race, ethnicity and cultural background when considering and recommending candidates to the Board. Corporate Governance Developing and recommending to the Board a set of corporate governance guidelines and other policies and guidelines which the committee determines necessary and appropriate for adoption by the Company. Reviewing and approving any insider or related party transactions (as defined in Item 404 of Regulation S-K), in accordance with the Company's Related Party Transaction Policy. Leading the Board in its annual review of the Board's performance, and the performance of various Committees of the Board. Recommending to the Board the membership of each Board committee.	

Communications with the Board

Stockholders and other interested parties who wish to communicate with the Board or any specific director, including any committee of the Board, or with the chair of any committee, may do so by writing to the address below to the attention of the Corporate Secretary who will then sort the correspondence to ensure receipt by the appropriate director(s).

Banc of California, Inc.

Attn: Corporate Secretary

3 MacArthur Place

Santa Ana, California 92707

DIRECTOR COMPENSATION

Overview

The Compensation Committee is responsible for the periodic review of compensation paid to non-employee directors of the Company and the Bank and recommending changes to the Boards, when the Compensation Committee deems appropriate. As indicated below under Employee Directors, directors who are also employees of the Company and/or the Bank receive no compensation for their service as a director.

The existing elements of the Company's director compensation program are a combination of cash and stock-based incentives to attract and retain qualified candidates to serve on the Boards of the Company or the Bank. In determining the components of non-employee director compensation, the Compensation Committee considers the significant amount of time directors expend to fulfill their duties, the skill level required of Board members and the nature of the Company's business objectives.

Effective August 8, 2018, upon the recommendation of the Compensation Committee, the Boards made minor changes to the cash component of the director compensation program to improve the administrative processes and provide further clarity. See Director Compensation - Previous Director Compensation Program in Effect in 2018. On November 28, 2018, upon the recommendation of the Compensation Committee, the Boards approved further changes to the director compensation program, effective January 1, 2019, which are expected to result in a net reduction in compensation of approximately 15 percent per non-employee director.

The current components of our director compensation program, as well as components in effect during 2018, are summarized in the tables below. We do not provide non-equity incentive plan awards, deferred compensation or retirement plans for non-employee directors.

Current Director Compensation Program

The current compensation program for non-employee directors of the Company and the Bank is reflected in the following table:

Schedule of Current Director Fees, Effective January 1, 2019

Compensation Element	Cash [1]	Equity [2]
Annual Retainer	$ 75,000	$ 75,000
	Additional Compensation	
Chair of the Board	$ 37,500	$ 37,500
Committee Chair		
Audit	$ 8,500	$ 8,500
ALCO	$ 6,000	$ 6,000
Compensation and Human Capital	$ 6,000	$ 6,000
Credit	$ 6,000	$ 6,000

Enterprise Risk	$ 6,000	$ 6,000
Nominating and Corporate Governance	$ 6,000	$ 6,000
Non-Chair Committee Member		
Audit	$ 4,250	$ 4,250
ALCO	$ 3,000	$ 3,000
Compensation and Human Capital	$ 3,000	$ 3,000
Credit	$ 3,000	$ 3,000
Enterprise Risk	$ 3,000	$ 3,000
Nominating and Corporate Governance	$ 3,000	$ 3,000

(1) Cash compensation is payable in equal quarterly installments, in advance of each quarter, up to the maximum amount of the specified annual retainer; provided, however, that management is authorized to adjust the amount and timing of cash compensation payments on a case-by-case basis and in management's sole discretion if the circumstances so warrant (for example, in the event a director's anticipated term of service remaining is less than a quarter or to ensure each director is receives appropriate cash compensation to reflect his or her term of service). No cash retainer will be paid after any termination of service. Additionally, cash compensation is payable with respect to the entire month of service if one day is served by a director during that month, except that a director shall receive pro-rata fees during the first month of service based on the actual date he or she is first appointed or elected as a director. Lastly, if committee composition re-assignments occur after the first day of any quarter, then adjustments to cash payments as a result of committee composition reassignments will go into effect the first day of the following quarter.

DIRECTOR COMPENSATION

(2) Equity awards are payable in the form of restricted stock units that will fully vest on the one-year anniversary of the grant date, subject to acceleration upon a change of control, termination of service due to death or disability or other qualifying termination of service. Equity awards are granted annually, following the Company's annual meeting of stockholders.

Previous Director Compensation Program in Effect During 2018

The compensation program for non-employee directors of the Company and the Bank in effect during 2018 is reflected in the following table:

Schedule of Director Fees in Effect During 2018

Compensation Element	Cash (1, 2)	Equity (3)
Annual Retainer	$87,500	$ 87,500
	Additional Compensation	
Chair of the Board	$43,750	$ 43,750
Committee Chair		
Audit	$10,000	$ 10,000
ALCO	$7,500	$ 7,500
Compensation and Human Capital	$7,500	$ 7,500
Credit	$7,500	$ 7,500
Enterprise Risk	$7,500	$ 7,500
Nominating and Corporate Governance	$7,500	$ 7,500
Non-Chair Committee Member		
Audit	$5,000	$ 5,000
ALCO	$3,750	$ 3,750
Compensation and Human Capital	$3,750	$ 3,750
Credit	$3,750	$ 3,750
Enterprise Risk	$3,750	$ 3,750
Nominating and Corporate Governance	$3,750	$ 3,750

(1) Cash compensation was payable in quarterly installments in advance of each quarter, provided that management was authorized to pay cash components in monthly installments on a case-by-case basis if the circumstances warranted (for example, in the event a director's anticipated service was less than a quarter); provided further, that the aggregate cash payment received was up to the maximum amount of the specified annual retainer. Notwithstanding the foregoing, no cash retainer could be paid after any termination of service; provided further,

that with respect to any amounts not paid as a result of a period less than 12 months having elapsed since the previous annual meeting of stockholders, any such unpaid amount would become due and payable upon the subsequent annual meeting of stockholders.

(2) Cash compensation was paid for the entire month of service if one day was served by a director during that month with the exception of committee composition reassignments; the daily rate for service on any assigned committee(s) applied until the effective date of the change to their respective committee assignments.

(3) Equity awards are payable in the form of restricted stock units that will fully vest on the one-year anniversary of the grant date, subject to acceleration upon a Change of Control (as defined in our 2018 Omnibus Stock Incentive Plan) or qualifying termination of service.

As mentioned above, effective August 8, 2018, the director compensation program was revised with respect to the cash component to improve administrative processes and provide greater clarity. These changes included:

- Cash fees previously paid on a monthly basis would be paid in quarterly installments in advance of each quarter; and
- Cash fees would be paid for the entire month of service if one day is served by a director during that month with the exception of committee reassignments or appointments in which case the daily rate for service would apply.

DIRECTOR COMPENSATION

Employee Directors

Directors who were also employees of the Company and/or the Bank during 2018 received no compensation for their service as directors. As such, Mr. Bowers, who served as President, Chief Executive Officer and a director of both the Company and the Bank until his departure from the Company in March 2019, did not receive compensation for his Board service in 2018 or the portion of 2019 prior to his departure.

As of the date of this proxy statement, eight out of the nine directors of the Company are independent and are not employees of the Company or the Bank. The one employee, non-independent director, Mr. Wolff, was appointed to serve as the President and Chief Executive Officer of the Company and the Bank and as a director of the Company and Chair of the Bank, effective March 18, 2019. As Mr. Wolff is an employee of the Company, he does not and will not receive compensation for his Board service.

2018 Summary Table of Director Compensation

The following table provides information regarding compensation paid to the non-employee directors of the Company and the Bank during the year ended December 31, 2018. See Summary Compensation Table on page 53 of this proxy statement for information regarding compensation paid to Mr. Bowers in 2018.

As used in the table below, RSA refers to restricted stock award and RSU refers to restricted stock unit.

Name(1)	Fees Earned or Paid in Cash ($)	Stock Awards ($)(2)(3)	All Other Compensation ($)(5)	Total ($)
Benett	$103,750	$103,760	$ 5,747	$213,257
Curran	$98,750	$98,760	—	$197,510
Fallon-Walsh	$31,667	$71,260	—	$102,927
Hill	$95,000	$95,000	—	$190,000
Karish	$41,667	$344,401 (4)	3,354	$389,422
Lashley	$105,000	$105,000	$ —	$210,000
Schnel	$102,500	$102,500	7,838	$212,838
Sznewajs	$141,875	$143,760	$ 6,337	$291,972
Wycoff	$99,688	$99,700	—	$199,388

(1) The amounts reported in this table represent amounts paid to each non-employee director for their service on the Company Board, Bank Board and all applicable committee assignments for each director during the fiscal year ended December 31, 2018. For those directors who either departed from or were appointed to the Board in 2018, the amounts reported are for service during the following periods:

- ~~for~~ Mr. Karish, from January 1, 2018 to May 31, 2018; and
- ~~for~~ Ms. Fallon-Walsh, from September 1, 2018 to December 31, 2018.

(2) For Mses. Fallon-Walsh and Curran, Dr. Hill and Messrs. Benett, Lashley, Schnel, Sznewajs and Wycoff, represents the grant date fair value of the stock awards issued during fiscal 2018, determined in accordance with ASC Topic 718. Awards issued during 2018 include: (a) restricted stock units granted for service on Board committees, as applicable; and (b) restricted stock units for the equity portion of the annual retainer for each non-employee director. See Note 4 below for a description of amounts reported for Mr. Karish.

The assumptions used in the fair value calculations are included in Note 16 to the notes to the consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on March 1, 2019. The grant date fair value is calculated using the closing market price of the Company's voting common stock on the business day preceding the grant date, which is then recognized as an expense, subject to market value changes, over the scheduled vesting period of the award.

(3) The following table presents: (a) the aggregate number of RSUs granted to each non-employee director, other than Mr. Karish, during 2018, the grant date fair values of which are reflected in the table above; (b) the number of RSAs that were accelerated in vesting for Mr. Karish in connection with his departure from the Board on May 31, 2018; (c) the aggregate number of outstanding unvested RSAs and RSUs held by each non-employee director, other than Mr. Karish, as of December 31, 2018; and (d) the aggregate number of outstanding options (both vested and unvested) held by each non-employee director, other than Mr. Karish, at December 31, 2018. The RSUs granted to the non-employee directors during 2018 are scheduled to vest in full on May 31, 2019. Other than the awards that were accelerated for Mr. Karish, all other awards listed below generally vest in substantially equal annual installments over a period of five years beginning on the first anniversary of the grant date.

DIRECTOR COMPENSATION

	Awards Reflected in the Table Above			Aggregate Awards Outstanding as of December 31, 2018	
Name	Number of Unvested RSUs	Number of Vested RSUs	Number of Vested RSAs	Aggregate Number of Unvested RSAs and RSUs Outstanding	Aggregate Number of Options Outstanding
Benett	5,188	—	—	13,108	7,452
Curran	4,938	—	—	4,938	—
Fallon-Walsh	3,563	—	—	3,563	—
Hill	4,750	—	—	4,750	—
Karish	—	12,899	4,808	—	7,452
Lashley	5,250	—	—	5,250	—
Schnel	5,125	—	—	15,657	7,452
Sznewajs	7,188	—	—	15,912	7,452
Wycoff	4,985	—	—	4,985	—

(4) For Mr. Karish, the amount reported represents the incremental fair value of previously unvested RSAs and RSUs that were accelerated in connection with the expiration of Mr. Karish's term as a director at the 2018 annual meeting of stockholders as a result of his decision not to stand for re-election at that meeting. In addition to the accelerated RSAs and RSUs, 4,108 unvested stock options held by Mr. Karish accelerated and became fully vested upon his departure from the Board, per the terms of the applicable stock option agreement, all of which were outstanding as of December 31, 2018. The following table sets forth each accelerated RSA and RSU and the incremental fair value of the accelerated RSAs and RSUs, calculated in accordance with ASC Topic 718, on the date of acceleration:

Name	Initial Grant Date	Unvested RSAs (#)	Unvested RSUs (#)	Incremental Fair Value on Date of Acceleration

Karish[a]	7/1/2014	2,019		$39,269.55
	7/1/2014	1,652		$32,131.40
	7/1/2015	2,400		$46,680.00
	7/1/2015	1,965		$38,219.25
	7/1/2016	4,420		$85,969.00
	7/1/2016	443		$8,616.35
	7/14/2017		4,808	$93,515.60
		12,899	4,808	$344,401

(a) Incremental fair value of the RSAs and RSUs accelerated for Mr. Karish is based on the closing price of the Company's voting common stock on May 31, 2018 of $19.45 per share.

(5) Amounts reflect cash dividends paid during 2018 on unvested RSAs.

EXECUTIVE OFFICERS

Designation of Executive Officers

The Board periodically evaluates the persons who are designated as executive officers of the Company. The Company's executive officers include its Chief Executive Officer and Chief Financial Officer as well as other individuals whom the Board determined perform a policy-making function or are in charge of a principal business unit, division or function. These executive officers, all of whom are subject to reporting requirements under Section 16 of the Securities Exchange Act of 1934, as amended, and are listed below and are referred to herein as "executive officers."

Jared M. Wolff, President and Chief Executive Officer

John A. Bogler Chief Financial Officer	Angelee J. Harris General Counsel
Hugh F. Boyle Chief Risk Officer	Michael A. Smith Chief Accounting Officer
Kris A. Gagnon Chief Credit Officer	

EXECUTIVE OFFICERS

Executive Officer Biographies

Jared M. Wolff	John A. Bogler
President and Chief Executive Officer	Chief Financial Officer
Age: 50	Age: 53
See Proposal I—Election of Directors for Mr. Wolff's biography.	Mr. Bogler was appointed Chief Financial Officer of the Company and the Bank effective September 5, 2017, and brings nearly 30 years of experience and a deep set of experiences across accounting, finance, treasury and capital markets functions. Previously, Mr. Bogler served as the Chief Financial Officer at each of Sabal Financial Group, L.P., Sabal Capital Partners, LLC and Sabal Investment Advisors, LLC from 2014 until joining the Company and the Bank in 2017. Mr. Bogler is a founder of Sabal Capital Partners and Sabal Investment Advisors and previously

served on the board of Sabal Capital Partners. His responsibilities across the Sabal companies included developing and implementing the corporate support functions, oversight of all financial functions and developing and implementing strategic initiatives for each company. From 2012 until its sale to PacWest Bancorp in 2014, Mr. Bogler served as Executive Vice President and Chief Financial Officer of CapitalSource Inc. (NYSE: CSE), the holding company for CapitalSource Bank, after having served as Executive Vice President and Chief Financial Officer of CapitalSource Bank from 2008 to 2011. Mr. Bogler holds a Bachelor’s degree in Accounting from Missouri State University. Mr. Bogler is a CPA and holds the Chartered Financial Analyst designation.

EXECUTIVE OFFICERS

Hugh F. Boyle	Kris A. Gagnon
Chief Risk Officer	Chief Credit Officer
Age: 59	Age: 67
Mr. Boyle was appointed Executive Vice President and Chief Risk Officer of the Company and the Bank, effective September 30, 2013, and served as Interim Chief Executive Officer of the Company and Interim Chief Executive Officer and President of the Bank from January 23, 2017 until the appointment of a new CEO in May 2017. Prior to joining the Company, Mr. Boyle served as Chief Risk Officer for Flagstar Bank from 2012 to 2013 and as Chief Risk Officer (Caribbean Region) of Canadian Imperial Bank of Commerce from 2009 to 2012. Mr. Boyle has over 30 years of	Mr. Gagnon was appointed Chief Credit Officer on February 7, 2018. Mr. Gagnon has extensive banking experience including several years of commercial banking centered in key credit roles for numerous institutions, as well as extensive knowledge of the Southern California market as well as diversified business sectors and verticals. Mr. Gagnon’s expertise is centered on building and refining commercial credit policies, systems and administration. Prior to joining the Company and the Bank, Mr. Gagnon served as Chief Credit Officer at OneWest Bank/CIT Bank from 2011 to 2016 and brings considerable

enterprise risk management and credit, capital markets, and investment banking experience, as well as deep consumer and commercial banking and residential mortgage lending experience in both domestic and international markets.

Mr. Boyle's investment banking background includes 16 years in credit risk at Goldman Sachs and Lehman Brothers where he worked closely with financial institutions globally supporting their debt and equity capital market transactions, trading, M&A and strategic and credit rating advisory work. Mr. Boyle has senior executive experience managing risk and credit at CIBC First Caribbean International Bank and Washington Mutual. Mr. Boyle holds a Master's degree and Bachelor of Science degree from Pennsylvania State University.

expertise as a top tier credit executive in commercial banking. He also held various senior leadership roles at Bank of America for 30 years, including serving as Enterprise Credit Risk Executive, Chief Risk Officer of the Global Corporate and Commercial Bank and as Chief Credit Officer for the Commercial Banking, ABL, Leasing and Global Treasury Services divisions. He holds a Bachelor's degree from California State University—Fullerton.

EXECUTIVE OFFICERS

Angelee J. Harris	Michael A. Smith
General Counsel	Chief Accounting Officer
Age: 49	Age: 52
Ms. Harris was appointed as Executive Vice President and General Counsel of the Company and the Bank effective May 15, 2018 and served as Executive Vice President and Division General Counsel for the Company since 2013. Ms. Harris is a highly credentialed corporate attorney with expertise in corporate securities, M&A and bank operations and a track record of success in managing in-house responsibilities of a publicly traded bank holding company.	Mr. Smith was appointed Chief Accounting Officer of the Company and the Bank effective September 4, 2018. He brings over 25 years of experience across accounting and related functions with respect to acquisitions, reorganizations, system integrations and public-company operations. Prior to joining the Company, Mr. Smith served as the Chief Accounting Officer for loanDepot from 2014 to 2018 and before loanDepot, he served as the Chief Accounting Officer at CapitalSource, Inc. (NASDAQ: CSE) and its subsidiary bank, CapitalSource Bank from 2008 to until the sale of CapitalSource to PacWest Bancorp in 2014. Prior to joining CapitalSource, Mr. Smith served as the Chief Accounting Officer for Fremont Investment & Loan. His responsibilities with loanDepot,

Ms. Harris was a partner and associate with the law firm of Manatt, Phelps & Phillips, LLP for more than 11 years where she represented public and private companies in connection with mergers and acquisitions, capital market transactions and corporate governance. Additionally, for a period of three years prior to its acquisition, Ms. Harris acted as Executive Vice President and General Counsel of the publicly traded company Placer Sierra Bancshares, the holding company of a commercial bank with more than $2 billion in assets. Ms. Harris has more than 15 years of experience as a senior counselor and business partner and is adept at providing practical legal advice and identifying potential legal risks. Ms. Harris earned her	CapitalSource and Fremont Investment & Loan included overseeing all accounting functions and SEC reporting. Mr. Smith began his career in the audit practices of Deloitte & Touche LLP and Grant Thornton LLP. Mr. Smith holds a Bachelor's degree in Accounting and a Master of Accountancy in Professional Accounting from Brigham Young University. Mr. Smith is a licensed CPA in California.

Bachelor’s degree from Brigham Young University and her Juris Doctor from the University of Utah and is licensed to practice law in both California and Utah.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

In this section, we describe the material components of our executive compensation program, the material compensation policy decisions made under those programs since January 1, 2018 and the measurable factors we took into consideration in making compensation decisions for our "Named Executive Officers" set forth below, whose compensation earned or paid for 2018 is set forth in a series of tables following this section.

During the past 18 months, the Company has undergone significant change with respect to its executive leadership team, including the hiring of Jared M. Wolff as our new President and Chief Executive Officer in March 2019. In addition, during 2018, certain management changes occurred, including the February 2018 hiring of our Chief Credit Officer Kris A. Gagnon and the May 2018 promotion of Angelee J. Harris as our General Counsel, each of whom are among our 2018 Named Executive Officers. Our 2018 Named Executive Officers also include our former President and Chief Executive Officer Douglas H. Bowers (who departed from these positions in March 2019), our Chief Financial Officer John A. Bogler, our Chief Risk Officer Hugh Boyle and our Head of Deposits and Treasury Management Rita H. Dailey.

Our Named Executive Officers for Fiscal 2018:

Douglas H. Bowers	Former President and Chief Executive Officer
John A. Bogler	Chief Financial Officer
Hugh F. Boyle	Chief Risk Officer
Rita H. Dailey [1]	Head of Deposits and Treasury Management

Kris A. Gagnon	Chief Credit Officer
Angelee J. Harris	General Counsel

(1) Ms. Dailey has served as the Company's Head of Deposits and Treasury Management since October 2017. Ms. Dailey was deemed to be an executive officer during a portion of 2018 but, on November 28, 2018, the Board determined that her role no longer met the definition of executive officer as of the end of 2018. See Designation of Executive Officers.

The discussion below is intended to help you understand the detailed information provided in the tables following this section and put that information into context within our overall compensation program. As used throughout this Compensation Discussion and Analysis and the tables that follow, RSA refers to restricted stock award, RSU refers to restricted stock unit and PSU refers to performance-contingent restricted stock unit or performance stock unit.

Our Vision and Strategic Priorities

Our vision is to be California's premier relationship-oriented community bank, serving businesses, business owners and individuals within our footprint. We have a strong foundation that supports this vision, including:

- a strong and powerful brand;
- superior markets in which we operate;
- a strong balance sheet;
- solid credit and right-sized capital metrics; and
- an experienced banking leadership team and strong corporate governance.

COMPENSATION DISCUSSION AND ANALYSIS

Our executive leadership team prioritizes initiatives that are consistent with our vision. As previously noted, we welcomed Mr. Wolff as our new President and Chief Executive Officer, and as a member of our Board of Directors in March 2019. Under Mr. Wolff's leadership and with the support of the Board, our executive team is focused on executing the following specific priorities:

- right-sizing the balance sheet to eliminate assets and business lines that do not enhance the value of our franchise;
- focusing on relationship-oriented lines of business consistent with our community banking footprint and model; and
- gathering noninterest bearing deposits and low-cost deposits from businesses and principals of those businesses who value our service, execution and high-touch banking model.

Our Corporate Values and the Philosophy and Objectives of Our Compensation Program

Our vision and priorities guide our compensation programs. Our compensation programs are designed to accomplish the following:

- Allow the Company to compete for, hire and retain skilled and talented executives critical to our success, with the capabilities required by the pursuit of our mission, vision, and priorities.
- Incent executives to strike the ideal balance between driving for optimal business performance without undue risk-taking by aligning performance with ethical standards, regulatory compliance, budgets, risk management processes and internal controls.
- Reward long-term growth and profitability.
- Encourage and reward for performance aligned with our strategic plan (pay for performance) while striving to ensure that the quality and risk performance is consistent with the risk appetite of the company.
- Recognize and reward the success of the management team as a whole in managing the Company, and use that overall performance as the basis for determining overall compensation, taking into consideration pertinent economic conditions, interest rate trends and the competitive market environment.
- Recognize and reward individual achievement and contributions consistent with our long-term objectives and core values.
- Align executive compensation with interests of stockholders. We seek to have the long-term performance of our stock reflected in executive compensation through our stock option, restricted stock and restricted stock unit grants and other equity incentive programs. Our approach to compensating management includes a review of all incentive programs to avoid imprudent risk-taking and to promote safety and soundness. We believe that compensation should not be based on the short-term performance of our stock, whether favorable or unfavorable, as we believe that the value of our stock will, in the long-term, reflect our operating performance, and ultimately, the management of the Company by our executives.
- Use performance-based compensation where appropriate to link the success of the executive with the success of the Company.

COMPENSATION DISCUSSION AND ANALYSIS

A Fresh Perspective for California's Bank: Focus on Refreshed Compensation Structure

During 2018, our Board continued a process that it began in 2017 to conduct a comprehensive review and assessment of our executive compensation program, which resulted in the following initiatives:

- Refresh our management. During 2018 our Board appointed the following new executives: Chief Credit Officer (Kris A. Gagnon); and General Counsel (Angelee J. Harris). These new executives complement the continued build out of our executive team and we believe positions us to optimize our current commercial banking business. In addition, in early 2019, the Board recruited and appointed Mr. Wolff as the Company's new President and Chief Executive Officer, as well as a member of the Company Board and as Chair of the Bank Board.
- Engage with stockholders. We conducted stockholder outreach during the first quarter of 2018 to obtain views from our stockholders about both our governance and our compensation practices.
- Continue to Implement Our Refreshed Compensation Structure. During 2018, the Compensation Committee finalized a comprehensive review of our executive compensation programs that was initiated in 2017 with the assistance of compensation consultant Pearl Meyer and outside counsel Morrison & Foerster. This process began with the goal of revisiting our overall compensation approach, given concerns expressed by institutional stockholders and their advisors. The assessment was undertaken to:
  - create a more transparent compensation program;
  - target compensation as compared to peer banks;
  - deliver more uniform incentive awards to the executive team on an annual basis;
  - better align our pay with our performance using balanced financial performance metrics to promote growth and profitability while also ensuring the safety and soundness of the Bank; and
  - adopt policies to mitigate the risk of the overall executive compensation program.

COMPENSATION DISCUSSION AND ANALYSIS

The revised compensation program has the following features:

Compensation Structure Plan Design - Institutional Investor Priorities Achieved by Banc of California

Achieved	Institutional Investor Priorities
	Current target pay at market median for CEO.
	Contractual severance / change in control payouts moderate.
	Recoupment policy adopted.
	Stock ownership guidelines, anti-hedging, and anti-pledging policy adopted.
	Annual Incentives
	- Formula-based objective annual incentive plan with payout caps implemented.
	- Multiple measures are utilized.
	- Enhanced disclosure of plan design and achievement.
	- Goals require improved performance over prior year.
	Long Term Incentive:
	- Annual equity awards where performance-contingent equity awards (PSUs) represent 50% of the equity pay mix.
	- Three year performance periods.
	- Multiple measures are utilized.
	- A relative measure (relative total stockholder return) is utilized.
	- Performance objective not duplicative of annual measure.
	- Enhanced disclosure of plan design and achievement.

The above features, as a whole, represent the characteristics utilized by the Compensation Committee when making compensation decisions. The Compensation Committee retains discretion with respect to any decisions and awards to deviate from any of the above elements on a case-by-case basis, based on the best interests of the Company and stockholders.

Stockholder Outreach

During the first quarter of 2018, our management team led outreach efforts to the Company's largest stockholders to engage in a dialogue regarding a broad range of governance and compensation topics. This outreach supplemented outreach that was undertaken during the first quarter of 2017 with our largest stockholders. Our Board values investor relationships and these engagement efforts provided us with a deeper understanding of investors' views. The feedback received from investors in these meetings has informed the Board's actions and policies on governance matters and policies, as well as the Board's changes to the executive compensation program for 2017 and the continued implementation of the executive compensation program during 2018.

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Executive Compensation Program

Key elements of our current executive compensation program include the following:

Base Salary	We pay base salaries commensurate with an executive's position and experience. Subject to the terms of any employment agreement in place, base salaries for our executive officers are generally reviewed at least annually by the Compensation Committee.
Performance-Based Annual Incentive Plan	Executive officers are given the opportunity to earn a target annual cash incentive as a percent of their salary. Since 2017, the Compensation Committee has adopted a performance-based annual incentive program, intended to provide payment for achieving key annual performance objectives that the Compensation Committee strives to set in the first quarter of each year.
Equity Performance-Based Incentive Awards	We provide performance-contingent equity as an additional incentive for executives to achieve our long-term goals. In general, 50% of the annual long-term incentive awards granted to our Named Executive Officers include a performance requirement. The Compensation Committee also considers executive officer performance and recommends equity incentive awards for our Chief Executive Officer based on a variety of factors, in its discretion, and for our other executive officers based on recommendations from the Chief Executive Officer. The Compensation Committee's decisions reflect the belief that equity incentives encourage executives to focus on long-term stockholder value creation and foster alignment with our stockholders.
Other Compensation	We provide 401(k) plan, and health, disability and life insurance benefits, as well as other benefits.

The foregoing elements fit into our overall compensation objectives by allocating between long-term and short-term compensation to ensure adequate base compensation to attract and retain personnel, while providing incentives with an appropriate level of risk to maximize long-term value for our Company and our stockholders. We believe our overall compensation package, including benefits and equity-related awards, is competitive within the marketplace and consistent with the philosophy and objectives of our compensation program.

Role of Peer Group for 2018 Compensation Decisions. In 2018, the Compensation Committee reviewed our peer group with assistance from Pearl Meyer and on March 8, 2018, approved a new 2018 peer group comprised of 15 companies to better align compensation peers based on an analysis of financial institutions in California and throughout the United States that were filtered with respect to various characteristics, including asset size, profitability, funding profile, credit portfolio and credit performance. The 2017 peer group (comprised of 15 companies) is set forth below; four companies continued to be included as part of the 2018 peer group, and 10 companies were excluded from the 2018 peer group.

COMPENSATION DISCUSSION AND ANALYSIS

Companies for 2017 Peer Group	Overall Changes as Compared to the 2018 Peer Group
Banner Corporation	Same
BofI Holding, Inc.	Excluded
Columbia Banking System, Inc.	Same
CVB Financial Corp.	Same
FCB Financial Holdings, Inc.	Excluded
Hilltop Holdings Inc.	Excluded
Home Bancshares, Inc.	Excluded
LegacyTexas Financial Group, Inc.	Excluded
Old National Bancorp	Excluded
Opus Bank	Same
Pinnacle Financial Partners, Inc.	Excluded
Simmons First National Corporation	Excluded
South State Corporation	Excluded
Sterling Bancorp	Excluded
Washington Federal, Inc.	Excluded

As of December 31, 2018, the peer group assets and other information relative to the 2018 peer group was as follows:

Companies for 2018 Peer Group	State	Total Assets ($B)	Overall Changes as Compared to the 2017 Peer Group
Banner Corporation	WA	$ 11.9	Same
Columbia Banking System, Inc.	WA	$ 13.1	Same
CVB Financial Corp.	CA	$ 11.5	Same
First Merchants Corporation	IN	$ 9.9	New
First MidWest Bancorp, Inc.	IL	$ 15.5	New
Independent Bank Group, Inc.	TX	$ 9.8	New
International Bancshares Corp.	TX	$ 11.9	New
NBT Bancorp Inc.	NY	$ 9.6	New
Opus Bank	CA	$ 7.2	Same
Pacific Premier Bancorp, Inc.	CA	$ 11.5	New
TownBank	VA	$ 11.2	New
Trustmark Corporation	MS	$ 13.3	New
United Community Banks, Inc.	GA	$ 12.6	New
Westamerica Bancorporation	CA	$ 5.6	New
Western Alliance Bancorporation	AZ	$ 23.1	New
Peer Average		$ 11.8	
Peer Median		$ 11.5	
Banc of California	CA	$ 10.6	
Percentile Rank of Banc of California		33	

COMPENSATION DISCUSSION AND ANALYSIS

2018 Pay Decisions

Below is a summary of the basic pay actions for our Named Executive Officers for 2018. This summary is not a substitute for, and does not describe all compensation set forth in, the Summary Compensation Table below.

			Equity Incentives			
Executive	Base Salary	Actual Cash Incentives	Award Type or Perf. Plan[(1)]	Grant Date Fair Value or Potential Target Payout[(2)]	Vesting Period	TOTAL
Bowers			PSU	$ 362,512	3 Years	
Former President and Chief			PSU	$ 181,266	3 Year Cliff	
Executive Officer	$ 725,000	$ 314,633	PSU	$ 181,266	3 Year Cliff	$1,764,677
Bogler			PSU	$ 349,125	3 Year Cliff	
Chief Financial Officer			PSU	$ 225,019	3 Years	
			PSU	$ 112,519	3 Year Cliff	
	$ 475,000	$ 172,000	PSU	$ 112,519	3 Year Cliff	$1,446,182
Boyle			RSU	$ 5,018	5 Years	
Chief Risk Officer			PSU	$ 200,006	3 years	
			PSU	$ 100,013	3 Year Cliff	
	$ 400,000	$ 159,000	PSU	$ 100,013	3 Year Cliff	$964,050
Dailey			RSU	$ 100,008	3 Years	
Head of Deposits and			PSU	$ 112,519	3 Years	
Treasury Management			PSU	$ 56,260	3 Year Cliff	
	$ 350,000	$ 106,536	PSU	$ 56,260	3 Year Cliff	$781,583
Gagnon Chief Credit Officer	$ 400,000	$ 155,500	RSU	$ 400,012	2 Years	$955,512
Harris			RSU	$ 70,001	3 Years	
General Counsel			RSU	$ 10,017	5 Years	

		PSU	$ 87,506	3 Years	
		PSU	$ 43,753	3 Year Cliff	
$ 350,000	$ 72,000	PSU	$ 43,753	3 Year Cliff	$677,030

(1) For each PSU, the annual PSU grant vesting was also subject to the satisfaction of two gating criteria as of December 31, 2018 based on non-performing assets remaining at or below a specific percentage as well as maintaining a specific Capital Ratio (Common Equity Tier 1 Capital Ratio). Subsequent to December 31, 2018, it was determined that the two gating criteria were met.

(2) For each PSU, the grant date fair value assumes achievement of the target level of performance conditions.

COMPENSATION DISCUSSION AND ANALYSIS

Our Compensation Program Best Practices

Due to the evolving nature of our businesses and our dynamic profile, the Compensation Committee has implemented the following compensation strategies, which the Compensation Committee considers to be key elements for a program of compensation plans as set forth in the table below:

Strong Alignment with Stockholders—What We Do and What We Don’t Do

Strong Alignment with Stockholders—What We Do
Compensation Principles. We believe our compensation principles promote a best practice approach to compensation, by aligning the interests of our officers and our long-term strategy with the interests of stockholders and appropriately integrating risk with compensation, giving due consideration to the safety and soundness of the Bank.
Risk Events Are Considered in Pay Decisions. Our Compensation Committee conducts an annual assessment of the our executive and broad-based compensation programs to ensure prudent risk management.
Share Ownership Guidelines. We require that our Chief Executive Officer own shares equal to at least 300 percent of his after-tax base salary and that the other Named Executive Officers own shares equal to at least 100 percent of their after-tax base salary. Our executives are expected to achieve the minimum equity investment within two years from the date he or she first becomes subject to the guidelines.
Hedging/Pledging Policy. We have a “no-hedging” policy and a “no-pledging” policy on Company shares.
Performance-Based Awards. Our executive compensation practice focuses on performance awards that are tied to overall stockholder objectives.

Strong Alignment with Stockholders—What We Don't Do

No Tax Gross Ups. Our employment agreements do not provide for tax gross-ups in the event of a change of control event.

No Repricing or Repurchase of Underwater Equity Awards. We do not permit the repricing or repurchase of underwater stock options or stock appreciation rights without stockholder approval.

No Multi-Year Guaranteed Bonuses.

No "Single Trigger" Severance Payments on Change in Control in Employment Agreements. Our employment agreements do not have "single-trigger" cash severance payments resulting solely from the occurrence of a change of control.

No "Single Trigger" Vesting of Equity Awards Granted under our 2013 and 2018 Omnibus Stock Incentive Plan. All equity awards under our 2018 Omnibus Stock Incentive Plan (the 2018 Plan) made to employees generally require "double trigger" (i.e., a termination of employment other than by the Company for cause or by the participant without good reason) before vesting can accelerate following a change in control. Other than stock appreciation rights that were last granted on September 30, 2015, the same is true with respect to equity awards under our 2013 Omnibus Stock Incentive Plan (the 2013 Plan). For performance-based awards, both the 2013 Plan and the 2018 Plan provide that, unless the performance award is replaced by a similar award, it will be deemed earned and payable in an amount equal to at least the target level of performance in the event the award vests on an accelerated basis following a change in control.

COMPENSATION DISCUSSION AND ANALYSIS

How We Make Compensation Decisions

The Compensation Committee will consider information from a variety of sources when assessing the competitiveness of the Company's current and future compensation levels. These sources include, but are not limited to, committee members, management, other members of our Board, publicly available compensation data regarding executive officers within the industry, the Company's understanding of compensation arrangements at other financial institutions, feedback from key stakeholders (including common stockholders, regulators and holders of our senior notes and preferred stock), and advice from the Compensation Committee's consultants.

Role of the Chief Executive Officer

Our Chief Executive Officer typically makes compensation recommendations to the Compensation Committee for all executive officers who report to him, who are not present during the deliberations. The Compensation Committee Chair will then make compensation recommendations with respect to the Chief Executive Officer, who will not attend that portion of the meeting. The Compensation Committee may accept or adjust such recommendations.

During 2018, our former Chief Executive Officer at that time, Mr. Bowers, made compensation recommendations to the Compensation Committee for all executive officers reporting to each him, who were not present during the deliberations. With respect to compensation of Mr. Bowers, the Compensation Committee Chair made compensation recommendations to the committee and Mr. Bowers did not attend that portion of the meeting. The Compensation Committee maintains the discretion to accept or adjust such recommendations.

Role of the Compensation Consultants

The Compensation Committee at times retains the services of independent consultants to assist the Compensation Committee with its consideration of the Company's compensation policies, programs and practices.

In 2018, the Compensation Committee engaged Pearl Meyer, a compensation consultant that has historically provided compensation advice to the Company, to assist the Compensation Committee in 2018 with a continued review of our compensation practices. In 2019, the Compensation Committee continued its engagement of Pearl Meyer to provide advice about determination of year-end bonus amounts for Named Executive Officers and a general review and assessment of our compensation practices for 2019.

Base Salary

The base salaries of our Named Executive Officers are determined by the Compensation Committee, subject in certain cases to terms set forth in employment agreements or other arrangements, including offers of employment. Each employment agreement was the result of negotiations between the Company and the Named Executive Officer. Of our Named Executive Officers, two are employed for a specific term pursuant to employment agreements (Messrs. Bowers and Bogler) and our Chief Risk Officer Hugh Boyle is employed as an at-will employee pursuant to a compensation arrangement that went into effect on April 1, 2018. Subject to the terms of employment agreements or other arrangements, salaries are reviewed and adjusted at the discretion of the Compensation Committee or the Board of Directors.

COMPENSATION DISCUSSION AND ANALYSIS

The chart below shows the annual rate of base salary for each Named Executive Officer as of December 31, 2018 as compared to the Named Executive Officer's base salary in 2017 (if the officer was an executive officer during 2017):

Executive	Annual Rate of Base Salary 2017	2018		% Change
Bowers Former President and Chief Executive Officer	$700,000	$725,000	(1)	4%
Bogler Chief Financial Officer	$450,000	$475,000	(2)	6%
Boyle Chief Risk Officer	$600,000	$400,000	(3)	-33%
Dailey Head of Deposits and Treasury Management	Not Applicable	$350,000		Not Applicable
Gagnon Chief Credit Officer	Not Applicable	$400,000		Not Applicable
Harris General Counsel	Not Applicable	$350,000		Not Applicable

(1) Pursuant to the terms of Mr. Bowers' employment agreement, Mr. Bowers' salary increased to $725,000 effective May 1, 2018.

(2) Pursuant to the terms of Mr. Bogler's employment agreement, Mr. Bogler's salary increased to $475,000 effective September 1, 2018.

(3) Pursuant to the terms of Mr. Boyle's compensation arrangement, Mr. Boyle's salary decreased to $400,000 effective April 1, 2018 and increased to $425,000 effective April 1, 2019.

Annual Incentives

Fiscal Year 2018 Annual Incentive Plan. On March 8, 2018, our Compensation Committee approved the 2018 Annual Incentive Plan for certain of the Company's executive officers, including each Named Executive Officer. This program is intended to provide a target incentive to each Named Executive Officer as a percent of the officer's salary, for achieving key annual performance objectives. As shown below, each executive had the opportunity to earn between a threshold and maximum amount based on the degree of achievement of the performance:

	Annual Incentive Opportunity as a % of Salary			Annual Incentive Opportunity in $		
Name	Threshold	Target	Maximum	Threshold	Target	Maximum
	Current Named Executive Officers					
Bowers	50 %	100 %	150 %	$362,500	$725,000	$1,087,500
Bogler	37.5 %	75 %	112.5 %	$178,125	$356,250	$534,375
Boyle	37.5 %	75 %	112.5 %	$150,000	$300,000	$450,000
Dailey	37.5 %	75 %	112.5 %*	$131,250	$262,500	$393,750
Gagnon	37.5 %	75 %	112.5 %	$150,000	$300,000	$450,000

Harris	12.5	%	25	%	37.5	%	$43,750	$87,500	$131,250

COMPENSATION DISCUSSION AND ANALYSIS

The 2018 Annual Incentive Plan consisted of individual or group objectives along with the following four corporate performance criteria: (i) loan growth; (ii) core deposit growth; (iii) return on average assets, as adjusted (ROAA); and (iv) adjusted efficiency ratio, as adjusted (Adjusted Efficiency Ratio). Each executive officer's incentive is based on a weighting of those metrics specific to their position.

2018 Annual Incentive Plan Performance Objectives	Weighting
Core Deposit Growth	
ROAA	
Loan Growth	Based on officer's position
Adjusted Efficiency Ratio (%)	
Individual or Group Objectives	

In addition to utilizing the performance metrics, the 2018 Incentive Plan had provisions designed to mitigate risk, including two performance gate criteria consisting of non-performing assets remaining at or below a specific percentage and maintaining a specific capital ratio (Common Equity Tier 1 Capital Ratio), below which no payouts, including the amounts related to individual or group objectives could occur. The Compensation Committee and the Board also reserved the right to apply negative discretion to any calculated payments as needed to reflect the business environment and market conditions that could affect our performance and incentive plan funding, and meet applicable legal and regulatory requirements. The awards are also subject to the Company's recoupment policy that was enhanced in March 2017, as described under Compensation Discussion and Analysis—Recoupment Policy.

2018 Gating Criteria
Common Equity Tier 1 Capital Ratio (>8%)
Non-Performing Assets (<0.75%)

After the year ended, it was determined that the two gating criteria had been met. Accordingly, each Named Executive Officer participating in the 2018 Annual Incentive Plan was eligible to receive an award based on achieving both corporate performance metrics as well as individual or business unit goals. Based on the position held by the Named Executive Officer, the participating executive was eligible to earn a percentage of their target incentive award based on corporate performance metrics (up to 85%) and the remaining amount earned for achieving specific individual or group objectives (up to 75%). For example, our former Chief Executive Officer was eligible to receive 85% of his incentive award based on corporate performance metrics and the remaining 15% based on individual objectives.

Performance Objective	Threshold Performance (Payout at 50% of Target)		Target Performance		Maximum Performance (Payout at 150% of Target)		Performance Achieved
Core Deposit Growth*	17	%	21	%	25	%	Below Threshold
Loan Growth	13	%	16	%	19	%	Above Threshold
ROAA**	0.59	%	0.65	%	0.78	%	Below Threshold
Adjusted Efficiency Ratio (%)**	72	%	69	%	66	%	Above Target
Individual or Group Objectives	Subject to achieving specific Individual or group objectives						Between Target and Maximum

* For 2018, we defined core deposits as noninterest-bearing deposits, interest-bearing demand deposits, NOW accounts, IRA accounts and money market accounts. The Compensation Committee excludes institutional banking deposits and certificate of deposits in our core deposit goal for the annual incentive plan.

** For purposes of the 2018 Annual Incentive Plan, both ROAA and the Adjusted Efficiency Ratio reflect one-time adjustments for certain legal fees incurred by the Company in 2018 including fees related to a securities fraud litigation case, certain investigation costs as well as related indemnification obligations to directors and officers, net of any insurance recoveries. For ROAA, these items (net of tax) were included in net income. For the Adjusted Efficiency Ratio, these items (pre-tax) were deducted from the adjusted non-interest expense. See Item 6, Selected Financial Data – Non-GAAP Financial Measures in our Annual Report on Form 10-K for the year ended December 31, 2018 for more details regarding the calculation of the Adjusted Efficiency Ratio.

COMPENSATION DISCUSSION AND ANALYSIS

The cash incentive amounts, which have been awarded under the 2018 Annual Incentive Plan, are as follows, which reflect overall cash bonus amounts for 2018 averaging at 53% of the target for each Named Executive Officer:

Officer	Core Deposit Growth	Loan Growth	ROAA	Adjusted Efficiency Ratio	Individual Objectives	Total Cash Incentives Earned	Actual Bonus Paid as Percent of Target
Bowers	—	$101,137.50	—	$112,012.50	$101,483.00	$ 314,633	43 %
Bogler	—	$49,696.88	—	$55,040.63	$67,262.50	$ 172,000	48 %
Boyle	—	$41,850.00	—	$46,350.00	$70,800.00	$	