

## CODE OF BUSINESS CONDUCT AND ETHICS

Adopted by the Board of Directors of Plains Capital Corporation

### A. INTRODUCTION

The purpose of this Code of Business Conduct and Ethics (this “Code”) is to describe standards of conduct and business expected of directors, officers and employees (the “Covered Persons”) of Plains Capital Corporation and its subsidiaries (the “Company”). When the terms “directors” and “executive officers” are used in this Code, they refer to the members of the Board of Directors and executive officers, respectively, of Plains Capital Corporation. All Covered Persons will be required to attest annually to their awareness and acceptance of the provisions of this Code and to affirm their compliance with such provisions.

The Company has formulated this Code to help ensure that Covered Persons act in accordance with applicable laws and observe the highest ethical standards in their business dealings. The Company is keenly aware of the importance of maintaining its corporate reputation for integrity. It is the responsibility of each Covered Person to create and maintain a fair, honest and professional workplace. The Company believes that honesty is the essential standard of integrity and expects Covered Persons to deal with others in a manner that absolutely excludes any consideration of personal or private benefit. It is, therefore, fundamental to the reputation and continuing success of the Company that Covered Persons adhere to the rules and procedures set forth in this Code.

While this Code is intended to provide guidelines for ethical and professional conduct, ultimately, Covered Persons must exercise good judgment and common sense in interpreting and applying these procedures in any given situation. In cases of doubt, Covered Persons should consult with the Chief Executive Officer, the Executive Vice President – Human Resources, the Executive Vice President – Chief Compliance Officer, or the General Counsel of the Company.

### B. GENERAL BUSINESS PRINCIPLES

#### 1. Observance of Highest Ethical Standards

All Covered Persons must observe the highest ethical standards of business conduct in their dealings with the Company’s shareholders, employees, customers, suppliers, landlords, lessees and competitors. No Covered Person should engage in dishonest or unethical behavior affecting such persons, including manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing.

#### 2. Compliance with Laws

All Covered Persons must fully comply with all applicable foreign and United States laws, rules and regulations. No Covered Person should at any time take any action on behalf of the Company that violates such laws, rules or regulations. Ignorance of the applicable laws, rules or regulations will not serve as a defense should such laws, rules or regulations be contravened. Covered Persons should always, including in situations where applicable legal standards are conflicting or unclear, conduct the

Company's business in such a manner that will not embarrass the Company should the full facts be disclosed.

### **3. Relationships with Public Officials - Political Contributions**

The Company's policy is to develop and maintain good relationships and effective communications at all levels of domestic governments having authority over the areas in which we do business. Contacts with governmental officials, whether direct or indirect, shall at all times be maintained as proper business relationships. These contacts must never suggest a compromise of the objectivity of such persons or cast doubt on the Company's integrity. No corporate funds, property of any kind or services shall be used directly or indirectly to influence the nomination or election of any candidate to public office, if such use is in violation of applicable law. This restriction is not intended to discourage Covered Persons from making proper political contributions to the candidates, parties or committees of their choice.

### **4. Employment Relationships**

The Company is committed to the recruitment, training, development and retention of competent staff. All employment decisions, including selection for employment, promotion and transfer, must be made solely on merit, experience and other work-related criteria.

The Company is also committed to avoiding compensation arrangements that encourage Covered Persons to take excessive risks that could threaten the health of the Company. Covered Persons should not take such excessive risks.

The employment relationship established with the Company is terminable at will, either by the employee or the Company, at any time, for any reason, and with or without cause. The provisions of this Code should not be construed as creating a right to employment for any person or for any specific period of time. Exceptions to the at-will employment relationship are only permitted when authorized in writing by the Chief Executive Officer or the Executive Vice President – Human Resources of the Company.

### **5. Truth in Communications**

The Chief Executive Officer and the Executive Vice President – Chief Marketing Officer of the Company (or those specifically authorized by the Chief Executive Officer) are the only officers authorized to make public communications about the financial and business condition of the Company to the media.

### **6. Personal Finances**

Because banking is a profession that demands financial integrity, each Covered Person should maintain high standards in conducting financial matters. Personal bills should be paid promptly as due, and overdrafts in any and all personal checking accounts are to be avoided. Loans to Covered Persons are generally available under specific internal lending policies as published in the PlainsCapital Bank Loan Policy Manual. In addition, no Covered Person, nor an immediate family member or related entity thereof, should invest an amount greater than \$50,000 in the business of a Company customer, competitor, supplier, or prospect (other than securities traded on organized securities exchanges) without prior notification to the Chief Executive Officer, the Executive Vice President – Chief Compliance Officer, and the General Counsel of the Company.

## **C. COMPANY FUNDS AND ASSETS**

Covered Persons are charged with safeguarding the Company's assets and property and ensuring their efficient and proper use. Covered Persons having authority to handle the Company's funds or assets are placed in a position of trust with respect to the Company. A Covered Person must at all times maintain in good working order and safeguard from harm, theft or loss all tangible and intangible assets of the Company, whether on the Company's property or in the possession of the Covered Person. Assets of the Company may be used only for their intended use and only for Company business even though incidental personal use may be permitted. Any assets of the Company in the possession of a Covered Person must be returned to the Company upon the termination of such Covered Person's employment or association with the Company.

Any discovery, improvement, or invention made or conceived by an officer or employee, either solely or jointly with others, during the time he or she is employed by the Company which pertains or relates to the products or business in which the Company is engaged shall be the exclusive property of the Company whether or not patentable or copyrightable.

## **D. CONFLICTS OF INTEREST**

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the Company. When a conflict of interest arises, others may question the Company's integrity. Therefore, all Covered Persons must conduct themselves in accordance with the highest ethical standards of honesty and fair dealing and should, in pursuit of their business duties, avoid actions that may create a conflict of interest and be adverse to the best interests of the Company and its shareholders.

Conflicts of interest are prohibited as a matter of Company policy but may not always be easily recognized or identified. While the following will provide certain examples, Covered Persons should consult the Executive Vice President – Chief Compliance Officer, or the General Counsel of the Company in the event that a question arises. In particular, a Covered Person, for example, shall not handle or approve on behalf of the Company any transaction which is or could be viewed as a conflict of interest because of a material connection with the individual or a related person or entity. This includes but is not limited to: (i) approval of overdrafts, waiving of any bank fees or charges, making loans, making exceptions to Company policies, approvals of checks for cash or immediate credit; (ii) negotiation or approval of transactions in which the Company and either the individual or related person or entity are parties; (iii) negotiation or approval of a transaction relating to assets in which the individual or related person or entity has an interest and are held or are to be held by the Company as collateral or that provide an important source of repayment of a loan made by the Company; and (vi) similar transactions directly or indirectly involving the Company.

Covered Persons must report in writing to an appropriate person in the Company (i.e., the Chief Executive Officer, the Executive Vice President – Chief Compliance Officer, or the General Counsel of the Company) the existence or discovery of any circumstances, relating to such Covered Person or other Covered Persons, which constitute a conflict of interest or could create a potential conflict of interest, including any financial or other business relationships, transactions, arrangements or other interests or activities with the Company's suppliers, customers, competitors or other persons that could create a potential conflict of interest.

If a potential conflict of interest would constitute a “related party transaction” that would be required to be disclosed pursuant to the securities laws, the terms of the proposed transaction must be reported in writing to the Company’s Chief Executive Officer, Executive Vice President – Chief Compliance Officer, or General Counsel who will refer, if necessary, the matter to the Audit Committee for approval. Generally, a related party transaction is a transaction that includes a director or executive officer, directly or indirectly, and the Company that exceeds \$120,000 in amount. If a Covered Person has any questions as to whether a proposed transaction is a “related party transaction,” the Covered Person should contact the Chief Executive Officer, the Executive Vice President – Chief Compliance Officer, or the General Counsel of the Company for clarification.

## **1. Gifts and Entertainment**

Gifts and entertainment can easily be misunderstood and can appear to be an attempt to bribe our employees or the employees of another company into directing business to a particular supplier. Generally, it is the Company’s policy that Covered Persons are prohibited from accepting gifts or favors (i.e., money, merchandise, services, entertainment, travel, or other forms of benefit) from any person or business organization that does business with the Company, seeks to do business with the Company, or is a competitor of the Company. Covered Persons may accept small gifts or favors that would be considered common business courtesies; however, no Covered Person should accept a gift or favor that might be intended to influence, or appears to influence, a business decision. Covered Persons must report to his or her supervisor the receipt of any gifts or favors.

In general, Covered Persons should not solicit entertainment, but are allowed to accept entertainment if the following criteria are met:

- (a) it occurs infrequently;
- (b) it arises in the normal course of business and would be considered a common business courtesy;
- (c) it involves reasonable expenditures; and
- (d) it takes place in settings that are appropriate and fitting.

A Covered Person shall not accept travel, vacation arrangements or similar favors or gratuities. Attending sports or theatrical events with and as a guest of a supplier or receiving sports or theatre tickets for personal use is acceptable and considered a normal business practice if kept within reasonable limits.

## **2. Certain Interests**

Each Covered Person must report in writing to the Company’s Chief Executive Officer, Executive Vice President – Chief Compliance Officer, or General Counsel any service as an officer, director, member, manager, partner or trustee of or any investment in a company that is a customer, supplier, contractor, competitor or any person or organization having dealings with the Company where the Company’s relationship with such organization is significant. For the purposes of this Code, the term “investment” means any investment beneficially owned by the Covered Person, his or her family member, nominee,

or other person through which the Covered Person derives an economic benefit; provided, however, the term “investment” shall not mean any beneficial ownership of up to five percent (5%) of the outstanding securities of a publicly-held company that is a customer, supplier, contractor, or competitor of the Company.

### **3. Corporate Opportunity**

Covered Persons should not: (i) take for themselves personally opportunities that are discovered through the use of Company property, information or position; (ii) use Company property, information, or position for personal gain; or (iii) directly compete with the Company. Covered Persons owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

### **4. Outside Activities**

Officers and employees should avoid outside employment or activities that impair effective performance of their obligations to the Company, either because of excessive demands on their time or because the outside commitments constitute a drain away from the Company of their talents and creative energies.

Of course, reasonable participation in the activities of a trade association, professional society or charitable institution on an uncompensated basis will not be deemed to violate the Conflicts of Interest provisions of this Code.

## **E. COMPANY INFORMATION**

### **1. Integrity of Records**

The Company must provide full, fair, accurate, timely and understandable disclosure in all reports and documents filed with, or submitted to, the Securities and Exchange Commission, as well as the Company’s filings and communications with bank regulatory authorities and in other public communications made by the Company. The full, fair, accurate, timely and understandable disclosure in all such reports and documents and other public communications made by the Company is essential and of critical importance. Thus, Covered Persons who are responsible for the preparation and review of the Company’s financial statements or other documents that are to be filed with the Securities and Exchange Commission or any bank regulatory authority, or otherwise made publicly available, shall exercise the highest standard of care in preparing and reviewing any such materials.

Covered Persons may not manipulate financial accounts, records or reports or take any action or cause any person to take any action to influence, coerce, manipulate or mislead auditors for the purpose of rendering financial statements misleading.

All transactions must be approved and executed in accordance with internal control procedures established by the Company and must be recorded in such a manner as to permit the preparation of accurate financial statements for the Company.

Covered Persons may not knowingly alter, destroy, mutilate, conceal, cover up, falsify or make a false entry in any record, document or tangible object with the intent either to impair the object’s integrity or availability for use in an official proceeding or to obstruct, impede, direct or influence the investigation

or proper administration of any matter within the jurisdiction of any department or agency of the United States or any bankruptcy case, or in relation to or contemplation of any such matter or case.

Covered Persons who prepare, maintain or have custody of the Company's records and reports should endeavor to ensure that these documents are: (i) accurate and complete and clearly reflect the assets and transactions of the Company; (ii) safeguarded from loss or destruction; (iii) retained for specified periods of time in accordance with the Company's document retention policy; and (iv) maintained in confidence.

The fiduciary relationship between PlainsCapital Bank and its customers and beneficiaries creates a moral and legal obligation beyond the usual business standard. It is the policy of PlainsCapital Bank that the trust accounting procedures utilized shall promote the reliability of the accounting records by ensuring assets held in a fiduciary capacity by the Wealth Management and Trust Division are segregated from assets of PlainsCapital Bank.

## **2. Trade Secrets/Confidential Information**

In general, a "trade secret" is any nonpublic information that affords a commercial advantage to its owner. Trade secrets may take form of a customer list, business plan and business strategy, terms and conditions of the Company's contracts and agreements or any number of other things which enhance the ability to compete for business. The Company possesses trade secrets and other confidential information, many of which are the product of considerable investment by the Company.

Trade secrets and other confidential information disclosed to or observed by Covered Persons should not be revealed at any time to any person or firm or used at any time for any purpose other than the advancement of the Company's business interests. The Company's policy is that all information developed or shared as the result of business processes is proprietary to the Company and an important asset in the operation of the Company's business, and the unauthorized use or disclosure of this information is prohibited.

All information about the Company, its business, shareholders, customers and suppliers should be considered confidential unless the information is already known to the public. This includes, but is not limited to, confidential technology, proprietary information, trade secrets, business plans, documents, pricing and records. Covered Persons should not, without prior written authorization from the appropriate authority, acquire, use, access, copy, remove, modify, alter or disclose to any third parties, any confidential information for any purpose other than to perform their job responsibilities or in furtherance of expressly stated Company-sponsored activities. Any such materials must be returned to the Company prior to a Covered Person leaving the Company.

Similarly, all Covered Persons must respect the confidentiality of their former employer's trade secrets. As a result, Covered Persons should not divulge such information to any of the Company's personnel or use the information while associated with the Company, unless explicit written permission by the former employer has been obtained.

Confidential information or materials in the possession of a Covered Person must be returned to the Company upon termination of employment or association with the Company. Since the Company views the protection of its confidential information as highly critical to its business, unauthorized disclosure of

such information by the Covered Persons will result in disciplinary action that may include termination of employment or prosecution under applicable law.

### **3. Insider Trading**

As set forth in the Company's Insider Trading Policy, the Company opposes the unauthorized disclosure of any nonpublic information acquired in the work-place and prevents the misuse of material nonpublic information in securities trading. The Company has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release. Covered Persons may not, therefore, disclose information to anyone outside the Company, including family members and friends, other than in accordance with those procedures. Covered Persons also may not discuss the Company or its business in an internet "chat room" or similar internet-based forum. Covered Persons should carefully review the Company's Insider Trading Policy and abide by the guidelines set forth in the policy before engaging in any transactions involving the Company's securities.

### **F. EMBEZZLEMENT, THEFT, FRAUD AND NON-MONETARY IRREGULARITIES**

The Company expects all Covered Persons to continuously demonstrate honesty and integrity in their business activities and relationships. Except for incidental personal use, all Company assets should be used for legitimate business purposes. Unacceptable conduct includes:

- conversion to cash of any checks made payable to the Company or misappropriation of cash receipts, including delaying submission of cash receipts so that they may be used on a temporary basis for personal reasons;
- authorization for payment of goods and services not received, or overpayment for goods or services;
- acceptance of kickbacks;
- engaging in any unethical act to entice a customer or potential customer to do business with the Company;
- accepting, soliciting or giving gifts, gratuities or any other personal benefit or favor from or to suppliers, potential suppliers or customers, except as provided in this Code;
- failure to accurately report the proceeds from the disposal of assets;
- misstatement of travel or expense reports, including processing of non-business items for expense report reimbursement;
- falsification of any reports submitted to financial or operational management including but not limited to:
  - misreporting or manipulating revenue or expenses to enhance reported financial results,
  - delay in reporting revenues,
  - delay in reporting expenses, and
  - submission of inflated or fictitious inter-company expenses;
- engaging in any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the Company's financial statements for the purpose of rendering such financial statements materially misleading;
- misuse of Company computer resources;

- unauthorized or improper access, misuse, modification, destruction or disclosure of Company data/software or non-Company data/software for which the Company has been identified as accountable for processing, accessing and/or storing;
- failure to follow policies relating to capital expenditures; and
- theft of any nature (cash, equipment, parts, etc.).

## **G. REPORTING AND COMPLIANCE WITH THE CODE'S STANDARDS**

### **1. Reporting of Violations**

Each Covered Person is responsible for his or her own compliance with the Code of Ethics. If a Covered Person suspects or has any concerns about any possible violation of this Code or of any other Company internal policy or any law or regulation, such Covered Person should first address the matter with his/her supervisor. If that is not possible for some reason or if this action does not resolve the matter, it is the Covered Person's responsibility to report the matter to the Company's General Counsel. Complaints or concerns specifically relating to PlainsCapital's accounting, internal accounting controls, or auditing matters can also be made directly to the Audit Committee of the Board of Directors of PlainsCapital. Additional information and procedures regarding reporting of suspected violations is included in the Guidelines for Reporting Concerns about Code of Business Conduct and Ethics Violations and the Company's Compliance with Laws and Accounting Practices. As explained further in such Guidelines, reports may be made anonymously; however, it may assist the Company's investigation if the reporting person can be contacted for further details.

### **2. Prohibition against Retaliation**

The Company does not allow retaliation against any Covered Person for reports of misconduct or suspected violation of this Code by another person made in good faith, for providing to a law enforcement officer any truthful information relating to the commission or possible commission of any federal offense, or for providing information on actions such Covered Person reasonably believes to be violations of securities laws, rules of the Securities and Exchange Commission or bank regulatory authorities or other federal laws relating to fraud against shareholders.

### **3. Enforcement**

The Company must ensure prompt and consistent action against violations of this Code and reporting of violators to the appropriate authorities. All management personnel of the Company shall be responsible for the enforcement of this Code. Management shall periodically review the rules and procedures contained herein with the Covered Persons to ensure that the Covered Persons understand and comply with this Code. Covered Persons are expected to cooperate in internal investigations of reported or suspected violations.

In some situations it is difficult to determine if a violation occurred. In order to afford a fair process by which to determine violations of the Code, the Covered Persons should keep the following in mind:

- (a) make sure that the reporting person has all the facts available to him or her;
- (b) use judgment and common sense in determining whether an act seems unethical or improper;
- (c) discuss the situation with the supervisor or manager; and

- (d) if one is unsure of what to do in any situation, he or she should ask for guidance before acting.

#### **4. Waivers**

Any waiver of this Code for any director, executive officer or senior financial officer of the Company may be granted only upon approval by the Board of Directors and disclosed in accordance with an applicable exchange rules or securities laws. A waiver of this Code for other officers or employees of the Company may be granted only by the Chief Executive Officer of the Company in writing. For purpose of this Code, a “senior financial officer” means the Company’s principal financial officer, principal accounting officer, controller, and other persons performing similar functions.

#### **5. Sanctions**

Any Covered Person who is found to have violated this Code, or knowingly permits a Covered Person under his or her supervision to do so, may be subject to immediate disciplinary action, including, but not limited to, reassignment, demotion, or, where appropriate, dismissal and legal proceedings to recover the amount of any improper expenditures and any other losses that the Company may have incurred as a result of such violation. Violations of this Code may also result in prosecution of the individual under applicable criminal law statutes.

#### **6. Interpretation**

Questions of interpretation, scope, and application of the policies set forth in this Code should be directed to each person’s supervisor, department head, or to any Officer of the Company. All unresolved questions should be referred to the General Counsel.

#### **7. Acknowledgment**

Each Covered Person will be required to sign an acknowledgment annually certifying that he or she has read, understands and agrees to abide by the policies set forth in this Code.