

PACWEST BANCORP
Form DEF 14A
March 28, 2018

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

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 under §240.14a-12

PACWEST BANCORP

(Name of Registrant as Specified In Its Charter)

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

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- 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:
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(4) Date Filed:

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9701 Wilshire Boulevard, Suite 700
Beverly Hills, California 90212

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS
Monday, May 14, 2018
10:30 a.m. Pacific Time

Place:

Montage Beverly Hills Hotel, 225 North Canon Drive, First Floor Library, Beverly Hills, California 90210

Items of Business:

Election of Directors. To elect twelve (12) members to the Board of Directors of PacWest Bancorp to serve until the 2019 Annual Meeting of Stockholders;

Advisory Vote on Executive Compensation. To approve, on an advisory basis (non-binding), the compensation of the Company's named executive officers;

Ratification of the Appointment of Independent Auditors. To ratify the appointment of KPMG LLP as the Company's independent auditors for the fiscal year ending December 31, 2018;

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Adjournments. To consider and act upon a proposal to approve, if necessary, an adjournment or postponement of the 2018 Annual Meeting of Stockholders (the "Annual Meeting") to solicit additional proxies; and

Other Business. To consider and act upon such other business and matters or proposals as may properly come before the Annual Meeting or any adjournments or postponements thereof.

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Who May Vote:

You may vote if you were a stockholder of record on the close of business on March 19, 2018.

YOUR VOTE IS IMPORTANT.

We appreciate you taking the time to vote promptly. After reading the Proxy Statement, please vote at your earliest convenience by telephone, internet, or, if you received printed proxy materials, by completing, signing and returning by mail a proxy card. If you decide to attend the Annual Meeting and would prefer to vote by ballot, your proxy will be revoked automatically and only your vote at the Annual Meeting will be counted. **YOUR SHARES CANNOT BE VOTED UNLESS YOU VOTE BY: (1) TELEPHONE, (2) INTERNET, (3) COMPLETING, SIGNING AND RETURNING A PAPER PROXY CARD BY MAIL IF YOU RECEIVED PRINTED PROXY MATERIALS, OR (4) ATTENDING THE ANNUAL MEETING AND VOTING IN PERSON.** Please note that all votes cast via telephone or the internet must be cast prior to 11:59 p.m., Eastern Time, on May 13, 2018.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible to make sure that your shares are represented at the Annual Meeting. Voting by proxy will not prevent you from voting in person if you choose to attend the Annual Meeting.

If you plan to attend the Annual Meeting, please note that admission will be on a first come, first served basis. You may obtain directions to the Montage Beverly Hills Hotel, 225 North Canon Drive, First Floor Library, Beverly Hills, California 90210 by calling the Montage Beverly Hills Hotel directly at (888) 860-0788. Each stockholder who attends may be asked to present valid picture identification such as a driver's license or passport. Stockholders holding stock in brokerage accounts ("street name" holders) will also need to bring a copy of a brokerage account statement reflecting stock ownership as of the record date. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting.

Thank you in advance for your cooperation and continued support. We look forward to seeing you at the Annual Meeting.

By Order of the Board of Directors,

/s/ KORI L. OGROSKY

*Kori L. Ogrosky, Executive Vice President, General Counsel and
Corporate Secretary*

Beverly Hills, California
March 28, 2018

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PROXY SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. The Board of Directors of PacWest Bancorp is referred to in this Proxy Statement as "the Board of Directors", "the Board" or "Board". PacWest Bancorp is referred to in this Proxy Statement as "PacWest", "the Company", "we" or "our". Pacific Western Bank is referred to in this Proxy Statement as "the Bank".

This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement before voting. For more complete information regarding the Company's 2017 performance, please review the Company's Annual Report on Form 10-K for the year ended December 31, 2017 (the "Annual Report").

VOTING AND MEETING INFORMATION

Please carefully review the proxy materials for the 2018 Annual Meeting that will be held on May 14, 2018 at 10:30 a.m., Pacific Time, at the Montage Beverly Hills Hotel, and follow the instructions below to cast your vote on all of the voting matters.

Who is Eligible to Vote

You are entitled to vote at the Annual Meeting if you were a stockholder of record at the close of business on March 19, 2018 (the "Record Date"). On the Record Date, there were 125,153,957 shares of common stock outstanding and entitled to vote at the Annual Meeting.

Advance Voting Methods

Even if you plan to attend the Annual Meeting in person, please vote right away using one of the following advance voting methods (see page 6 for additional details).

You can vote in advance in one of three ways:

Visit the website listed on your proxy card/voting instruction form to vote **VIA THE INTERNET**;

Call the telephone number on your proxy card/voting instruction form to vote **BY TELEPHONE**; or

If you received a paper proxy card or voting instruction form, complete, sign, date and return the proxy card or voting instruction form in the enclosed envelope **BY MAIL**.

Attending and Voting at the Annual Meeting

All stockholders of record may vote in person at the Annual Meeting. Beneficial owners of shares held in "street name" may vote in person at the Annual Meeting if they have a legal proxy, as described in the response to question 2 on page 6.

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

Unless you previously elected to receive paper copies of our proxy materials, we are sending our stockholders a Notice of Internet Availability of Proxy Materials (the "Notice") that will instruct you on

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how to access the proxy materials and proxy card to vote your shares by telephone or over the internet. If you would like to receive a paper copy of our proxy materials free of charge, please follow the instructions included in the Notice.

It is anticipated that the Notice will be mailed to stockholders on or before April 4, 2018.

The Notice, this Proxy Statement and our Annual Report are available at our Investor Relations website at www.pacwestbancorp.com/docs.

Compensation Discussion and Analysis Executive Summary(page 32)

The Company had a solid year in 2017 in key financial and non-financial areas. Our five-year financial performance below also highlights the continued growth and success of our Company. Our 2017 financial and non-financial highlights are as follows:

Net earnings of \$2.91 per diluted share;

Net loan and lease production of \$4.7 billion and growth, excluding acquired and sold loans, of 7%;

Tax equivalent net interest margin ("NIM") of 5.10%;

Increased core deposits by \$3.4 billion, including \$2.7 billion of core deposits from the CU Bancorp ("CUB") acquisition;

Returned \$347 million to stockholders through dividends and share repurchases; and

Acquired CUB, including \$2.1 billion of high-quality loans.

Fiscal Year	Diluted Earnings Per Share	Net Earnings (In Millions)	Tangible Book Value Per Share(1)	Total Assets (In Billions)	Return on Average Assets	Return on Tangible Common Equity(1)
2017	\$ 2.91	\$ 357.8	\$ 18.24	\$ 25.0	1.58%	15.2%
2016	\$ 2.90	\$ 352.2	\$ 18.71	\$ 21.9	1.66%	15.5%
2015	\$ 2.79	\$ 299.6	\$ 17.86	\$ 21.3	1.70%	15.8%
2014	\$ 1.92	\$ 168.9	\$ 17.17	\$ 16.2	1.27%	11.9%
2013	\$ 1.08	\$ 45.1	\$ 12.72	\$ 6.5	0.74%	8.3%

(1)

The Company uses certain non-GAAP financial measures to provide meaningful supplemental information regarding our operational performance and to enhance investors' overall understanding of such financial performance. The methodology for determining these non-GAAP measures may differ among companies. For more information regarding the calculation of these non-GAAP financial measures, please refer to the Company's Annual Report.

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Stockholders are being asked to vote on the following proposals at the Annual Meeting:

	Board Recommendation
PROPOSAL 1. Election of Directors (page 21) To elect twelve (12) directors.	FOR
PROPOSAL 2. Advisory Vote on Executive Compensation (page 56) To approve, on an advisory basis (non-binding), the compensation of the Company's named executive officers.	FOR
PROPOSAL 3. Ratification of the Appointment of Independent Auditors (page 61) To ratify the appointment of KPMG LLP as the Company's independent auditors for the fiscal year ending December 31, 2018.	FOR

Director Nominees(page 24)

The following table provides summary information about each director nominee:

Name	Age⁽¹⁾	Independent	Director Since	Committee Memberships⁽²⁾
Tanya M. Acker	47	Yes	2016	R A, CNG, ALM (Chair),
Paul R. Burke	55	Yes	2015	E
Craig A. Carlson	67	Yes	2010	A, E, R (Chair)
John M. Eggemeyer, III	72	Yes	2000	E (Chair)
C. William Hosler	54	Yes	2014	A, CNG, E
Susan E. Lester	61	Yes	2003	A (Chair), ALM, E, R
Roger H. Molvar	62	Yes	2014	A, CNG, R
James J. Pieczynski	55	No	2014	ALM, R
Daniel B. Platt	71	Yes	2003	ALM, R
Robert A. Stine	71	Yes	2000	CNG (Chair), E
Matthew P. Wagner	61	No	2000	ALM, E, R
Mark T. Yung ⁽³⁾	44	Yes	2017	A, R

(1)

As of the Record Date

(2)

A = Audit Committee; ALM = Asset/Liability Management Committee; CNG = Compensation, Nominating and Governance Committee; E = Executive Committee; R = Risk Committee

(3)

Mr. Yung will become an Audit Committee member and a Risk Committee member immediately following his election to the Board at the Annual Meeting.

2017 Executive Compensation Decisions(page 37)

We assess executive officer performance by analyzing specific, achieved Company financial goals. The Company's executive compensation program balances short and long-term Company performance with stockholder value creation. We align executive compensation to the success of the

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Company and the interests of our stockholders by making annual cash incentive bonus payments to executive officers based on Company achievement of pre-established performance measures that are directly tied to Company performance. Executive officers are only entitled to target or above-target annual cash incentive bonus payments if the Company delivers target or above-target performance with respect to these measures. Conversely, executive officers are not entitled to annual cash incentive bonus payments if Company performance measures are below pre-determined thresholds.

In addition, the Company's long-term incentive compensation plan ties a meaningful portion of executive officer compensation to Company performance. Specifically, 50% of an executive officer's long-term incentive compensation is granted in the form of performance-based restricted stock units ("RSUs") that vest only upon the attainment of key Company financial performance metrics. The other 50% of an executive officer's long-term incentive compensation is time-based restricted stock awards ("RSAs") that vest ratably over four years. The Company believes this long-term incentive compensation grant structure appropriately aligns Company performance with stockholder interest.

Details of our executive compensation principles, process and decisions can be found under the "Compensation Discussion and Analysis" ("CD&A") section of this Proxy Statement.

Corporate Governance(page 12)

The Company is committed to maintaining strong governance practices, and the Board regularly reviews its governance procedures to ensure compliance with laws, rules and regulations. Our website at www.pacwestbancorp.com includes important information about our policies and Board committee charters, including the Company's Corporate Governance Guidelines (the "Guidelines"), our Code of Business Conduct and Ethics, and all of the Company's Securities and Exchange Commission ("SEC") filings and press releases. Examples of our corporate governance practices are set forth in the "Corporate Governance" section of this Proxy Statement.

Stockholder Engagement

We engage with our stockholders on governance and compensation matters as part of our commitment to continue to be responsive to stockholders and to ensure that our actions are informed by the viewpoints of our investors. In the past several years, we have spoken to a number of our stockholders to ensure our compensation program continues to align executive compensation with stockholder value creation and to discuss important corporate governance matters including our continued commitment to enhance Board diversity.

We regularly review and improve our pay practices to ensure they are aligned with stockholder interests. Our 2017 "say-on-pay" 96.63% approval vote confirmed that our stockholders agree with our compensation principles and process. Notwithstanding our positive "say-on-pay" vote, we continue to have regular conversations with our significant stockholders to discuss their perspectives about our executive compensation program and corporate governance principles, and we routinely incorporate stockholder feedback into aspects of our executive compensation program. Details of our compensation program begin under the CD&A section on page 32.

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Previous stockholder concerns included the following:

Stockholder Feedback

Changes Made In Response

Concern that not enough executive compensation is tied to Company performance

Restructured our executive compensation program in 2016 to directly align executive compensation with long-term stockholder value creation and Company performance

Added grants of PRSUs to executive officers that vest only upon the achievement of objective performance metrics and represent 50% of an executive's annual equity award based on the grant date value

Concern that key performance metrics with respect to PRSUs be rigorous

Established Relative TSR, EPS growth and ROAA metrics (described in detail under "Compensation, Discussion and Analysis 2017 Executive Compensation Decisions")

Stockholders are urged to read the CD&A section and other information in this Proxy Statement. The Compensation, Nominating and Governance Committee (the "CNG Committee") and the Board believe that the information provided in this section demonstrates that our executive compensation program addresses feedback received from our stockholders and engages and aligns our executives' compensation with the Company's short-term and long-term performance and the creation of long-term stockholder value while, at the same time, providing the compensation and incentives needed to attract, reward, motivate and retain key executives who are critical to executing the Company's strategy for long-term success.

Information About the Annual Meeting and Voting(page 6)

Please see the Information About the Annual Meeting and Voting section beginning on page 6 for important information about the Annual Meeting. The deadlines to submit stockholder proposals for the 2019 Annual Meeting of Stockholders can be found in the "Other Business" section on page 71.

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PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors to be used at our Annual Meeting and at any postponements or adjournments thereof.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

1. Who is entitled to vote? How many votes am I entitled to?

Only stockholders of record as of the close of business on March 19, 2018 (the "Record Date") may vote at the Annual Meeting. According to EQ Shareowner Services, our transfer agent, there were 125,153,957 shares of common stock outstanding held by approximately 1,806 stockholders as of the Record Date, excluding 1,386,541 shares of unvested time-based restricted stock.

Each holder of the Company's common stock is entitled to one vote for each share recorded in his or her name on the books of the Company as of the close of business on the Record Date on any matter submitted to the stockholders for a vote, except that stockholders may vote their shares cumulatively for the election of director nominees if certain conditions are met at the Annual Meeting. Cumulative voting may only be exercised at the Annual Meeting if: (i) the name of the candidate or candidates for whom such votes would be cast has been placed in nomination prior to the voting and (ii) at least one stockholder has given advance notice of his or her intention to cumulate his or her votes. If one of the Company's stockholders gives advance notice of the intention to vote cumulatively, then persons holding the proxies solicited by the Board will exercise his or her cumulative voting rights, at his or her discretion, to vote the shares he or she holds in such a way as to ensure the election of as many of the Board's nominees as he or she deems possible. As of the date of this Proxy Statement, we have not received written notice from any stockholder of his or her intention to vote his or her shares cumulatively.

Cumulative voting provides each stockholder with a number of votes equal to the number of directors to be elected multiplied by the number of shares held by such stockholder, which such stockholder can then vote in favor of one or more director nominees. For example, if you held 100 shares as of the Record Date, you would be entitled to 1,200 votes which you could then distribute among one or more director nominees since there are twelve (12) directors to be elected.

2. What different methods can I use to vote?

By Telephone or the Internet Stockholders can vote their shares via telephone, the internet as instructed in the Notice, or on the enclosed proxy card if you received a paper copy of the proxy materials. The telephone and internet procedures are designed to authenticate a stockholder's identity, to allow stockholders to vote their shares, and to confirm a stockholder's instructions have been properly recorded. The telephone and internet voting facilities will close at 11:59 p.m., Eastern Time, on May 13, 2018.

By Mail Stockholders that receive a paper proxy card may vote by completing, signing and dating their proxy cards and mailing them in the pre-addressed envelopes that accompany the delivery of paper proxy cards. Proxy cards submitted by mail must be received by us prior to the Annual Meeting. If your shares are held in "street name", you should check with your bank, broker or other agent and follow the voting procedures required by your bank, broker or other agent to vote your shares.

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In Person Shares held in your name as the stockholder of record may be voted by you in person at the Annual Meeting. Shares held beneficially in "street name" may be voted by you in person at the Annual Meeting only if you provide a legal proxy from the bank, broker or other agent that holds your shares giving you the right to vote the shares at the Annual Meeting.

3. How many shares must be represented at the Annual Meeting to constitute a "quorum"?

A majority of the outstanding shares of common stock of the Company must be present at the Annual Meeting, either in person or by proxy, to constitute a quorum. There must be a quorum for the Annual Meeting to be held. If you return a signed proxy card, you will be counted as being present, even if you abstain from voting. Broker non-votes will also be counted as being present for purposes of determining a quorum.

4. What is the vote necessary to approve each of the proposals being considered at the Annual Meeting?

The election of director nominees proposal requires the affirmative vote of a majority of the votes cast with respect to such director in an uncontested election (meaning the number of shares voted "for" a nominee must exceed the number of shares voted "against" such nominee). As of the date of this Proxy Statement, none of the director nominees is being contested, but in a contested election (where the number of director nominees exceeds the number of director nominees to be elected) the standard for election of director nominees is a plurality of the votes cast such that the 12 director nominees receiving the greatest numbers of votes "for" will be elected as directors without regard to the number of shares voted against such director nominees. The director nominee proposal and the other proposals being considered at the Annual Meeting are set forth below.

Proposals	Votes Required	Effect of Abstentions
1. Election of Directors	Majority of votes cast	No effect
2. Advisory Vote on Executive Compensation	Majority of votes cast	Vote Against
3. Ratification of the Appointment of Independent Auditors	Majority of votes cast	Vote Against

Broker non-votes (i.e., proxies from banks, brokers or other nominees indicating that such entities have not received instructions from the beneficial owners or other persons entitled to vote as to a matter which such bank, broker, or other nominee does not have discretionary power to vote) will be treated as "present" for quorum purposes, but will not have an impact on the vote on any proposal.

5. If I hold shares of PacWest common stock pursuant to the PacWest 401(k) Plan, will I be able to vote?

Yes. You will receive a proxy card for the shares held in your 401(k) plan account which you should return as indicated on the instructions accompanying the proxy card.

6. Why did I receive a Notice of Internet Availability of Proxy Materials instead of paper copies of the proxy materials?

We sent our stockholders by mail or e-mail a Notice containing instructions on how to access our proxy materials over the internet and vote online. This Notice is not a proxy card and cannot be used to vote your shares. If you received a Notice, you will not receive paper copies of the proxy

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materials unless you request the materials by following the instructions on the Notice or on the website referred to in the Notice.

We provided some of our stockholders with paper copies of the proxy materials instead of the Notice. If you received paper copies of the Notice or proxy materials, we encourage you to help us save money and reduce the environmental impact of delivering paper proxy materials to stockholders by signing up to receive all of your future proxy materials electronically as described below under "***How can I receive my proxy materials electronically in the future?***".

7. What is the difference between a stockholder of record and a beneficial owner of shares held in "street name"?

Stockholder of Record. If your shares are registered directly in your name with our transfer agent, you are considered a stockholder of record with respect to those shares, and the Notice was sent directly to you by the Company. If you requested printed copies of the proxy materials by mail, you will also receive a proxy card.

Beneficial Owner of Shares Held in Street Name. If your shares are held in an account at a brokerage firm, bank, broker-dealer or other similar organization, then you are a beneficial owner of shares held in "street name", and the Notice was forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to instruct that organization how to vote the shares held in your account.

8. Why did I receive more than one Notice or multiple proxy cards?

You may receive more than one Notice or multiple proxy cards if you hold your shares in different ways (i.e., joint tenancy, in trust or in custodial accounts). You should vote each proxy that you receive.

9. How can I receive my proxy materials electronically in the future?

To receive proxy materials electronically by e-mail, follow the instructions described below or in the Notice.

If you received proxy materials by mail and you would like to sign up to receive these materials electronically in the future, please have your proxy card available and register by going to www.proxyvote.com and follow the instructions for requesting meeting materials, call 1-800-579-1639, or contact your brokerage firm, bank, or other similar organization that holds your shares.

If you previously agreed to electronic delivery of our proxy materials, but wish to receive paper copies of these materials for the Annual Meeting or for future meetings, please follow the instructions on the website referred to in the Notice.

10. What do I have to do to vote?

If your shares are registered in your own name with our transfer agent, you may vote by internet or by telephone as indicated on the proxy card. If you received a paper proxy card, you may also vote by mail by completing, signing and dating the proxy card and returning it in the enclosed postage-paid envelope.

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If you mark the proxy card to show how you wish to vote, your shares will be voted as you direct. If you return a signed proxy card but do not mark the proxy card to show how you wish to vote, your shares will be voted as follows:

"FOR" the election of each of the director nominees under "**PROPOSAL 1 ELECTION OF DIRECTORS**";

"FOR" the approval, on an advisory basis (non-binding), of the compensation of the Company's named executive officers under "**PROPOSAL 2 ADVISORY VOTE ON EXECUTIVE COMPENSATION**"; and

"FOR" the ratification of the appointment of KPMG LLP as the Company's independent auditors for 2018 under "**PROPOSAL 3 RATIFICATION OF THE APPOINTMENT OF INDEPENDENT AUDITORS**".

11. May I revoke or change my vote?

You may change or revoke your vote at any time before it is counted at the Annual Meeting by:

Notifying our Corporate Secretary in writing at 9701 Wilshire Boulevard, Suite 700, Beverly Hills, California, 90212 that you wish to revoke your proxy;

Submitting a later-dated proxy card;

Attending the Annual Meeting and voting in person;

Calling the toll-free number on the Notice or proxy card not later than 11:59 p.m., Eastern Time, on May 13, 2018 and following the directions provided; or

Going to the website listed on the Notice or proxy card, following the instructions provided and submitting your change no later than 11:59 p.m., Eastern Time, on May 13, 2018.

Attending the Annual Meeting will not automatically revoke your prior proxy. You must comply with one of the methods indicated above in order to revoke your proxy.

If you hold your shares in "street name", you should receive a proxy card from your bank or brokerage firm asking you how you want to vote your shares. If you do not receive a proxy card, then you should contact the bank or brokerage firm in whose name your shares are registered and obtain a proxy card from them. Please refer to the information in the materials provided by your bank or brokerage firm for an explanation of how to vote and how to change or revoke your vote and of the effect of not indicating a vote.

12. How will voting on any other business be conducted?

We do not know of any business to be considered at the Annual Meeting other than the matters listed in this Proxy Statement. For record holders, if any other business is properly presented at the Annual Meeting, including any proposal to adjourn or postpone such Annual Meeting, any of the persons named on the proxy card as your designated proxies may vote on such matter in his or her discretion. If you hold your shares in "street name", please see the materials provided by your bank or brokerage firm for an explanation of how your shares will be voted on any other business.

13. Who pays the cost of soliciting proxies on behalf of the Company?

The Company pays the cost of preparing, assembling and mailing the proxy materials and soliciting proxies for the Annual Meeting. In addition to the solicitation of proxies by mail, solicitation may be made by certain directors, officers and employees of the Company or its subsidiaries

telephonically, electronically or by other means of communication. These directors, officers and employees receive

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no additional compensation for their services. We will reimburse brokers and other nominees for costs incurred by them in mailing proxy materials to beneficial owners in accordance with applicable rules.

14. How do I get more information about the Company?

The Notice provides internet instructions on how to access and review the proxy materials including our Annual Report that contains our consolidated financial statements. Our Annual Report includes a list of exhibits filed with the SEC but does not include the exhibits.

If you wish to receive copies of the exhibits, please write to the following address:

Investor Relations
PacWest Bancorp
9701 Wilshire Blvd, Suite 700
Beverly Hills, California 90212

You may also send your request by e-mail to investor-relations@pacwestbancorp.com.

The Company's Annual Report is included with the proxy materials.

15. What is "householding" and how does it affect me?

Stockholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of the Notice unless we are notified that one or more of these stockholders wishes to receive individual copies. This "householding" procedure will reduce our printing costs and postage fees.

Stockholders who participate in householding will continue to receive separate proxy cards. If you are eligible for householding and you and other stockholders of record with whom you share an address receive multiple copies of the Notice and any accompanying documents, or if you hold Company stock in more than one account, and, in either case, you wish to receive only a single copy of each of these documents for your household, please contact our transfer agent, EQ Shareowner Services, P.O. Box 64874, St. Paul, Minnesota 55164-0874 or by telephone at 1-800-468-9716.

If you participate in householding and wish to receive a separate copy of the Notice and any accompanying documents, or if you do not wish to continue to participate in householding and prefer to receive separate copies of these documents in the future, please contact EQ Shareowner Services as indicated above.

If you are a beneficial owner, you can request information about householding from your broker, bank or other holder of record.

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CORPORATE GOVERNANCE

In this section, you will find:

Governance Framework

Board Committees

Director Compensation

Director Nominees

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CORPORATE GOVERNANCE

Governance Framework

The Company is committed to a robust governance framework, and we have adopted the following corporate governance best practices:

Directors elected annually

Board recruitment and refreshment

Majority vote standard for the election of directors in uncontested elections

Codified independent lead director role

Majority independent directors

Independent key committees

Annual Board and committee self-assessments

Annual Board review of senior management succession plans

Anti-hedging policy

Active stockholder engagement program

Stock ownership guidelines for our directors and executive officers

Clawback provisions for executive incentive compensation

Double trigger change of control provisions for stock awards

No tax gross-up payments

Board Leadership Structure

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Each year, the Board evaluates the Company's board leadership structure to ensure that it remains an appropriate structure for our Company and stockholders. Our current structure provides for separate roles of the Chairman of the Board ("Chairman") and Chief Executive Officer ("CEO"), a lead independent director ("Lead Independent Director") and active, independent directors. We believe this structure provides for open communication between the Board and management and provides the oversight and safeguards necessary to operate our business successfully.

Board Leadership Structure

Chairman of the Board: John M. Eggemeyer, III
Chief Executive Officer: Matthew P. Wagner
Lead Independent Director: C. William Hosler
All Committees chaired by independent directors

In Mr. Eggemeyer's role as Chairman, he has responsibility for, among other things:

chairing meetings of the Company's Board and the annual meeting of stockholders;

reviewing and approving Board meeting agendas, meeting schedules and information provided to the Board, and ensuring such information is appropriately disseminated;

acting as liaison between the non-management members of the Board and management;

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meeting periodically with the CEO for informal discussion concerning major issues involving the Company; and
providing input to the CNG Committee concerning the performance of the CEO.

In Mr. Hosler's role as Lead Independent Director, he has considerable authority and responsibility, including the following:

presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

serving as a liaison between the Chairman and the independent directors;

serving as a member of the Executive Committee (see " Board Committees Executive Committee" below);

reviewing and approving Board meeting agendas, meeting schedules and information provided to the Board;

ensuring that matters of concern or of interest to the independent directors are appropriately scheduled for discussion at Board meetings;

having the authority to call meetings of the independent directors;

being available for consultation and direct communication with stockholders, as appropriate; and

performing such other duties as the Chairman or the Board may from time to time delegate or request.

Board Recruitment and Refreshment

The CNG Committee regularly considers the composition of our Board to ensure there is a proper combination of skills and viewpoints. In 2017, the Board conducted a search to identify new director nominee candidates who would enhance the mix of leadership skills and qualifications on our Board. On May 17, 2017, the Board decreased its size by one to 12 and filled the vacancy by appointing Mr. Mark T. Yung to serve on the Board until such time as his successor is duly elected and qualified or until his earlier resignation or removal.

During 2017, the Board met 11 times. The independent directors met three times in executive session during 2017, and Mr. Hosler, the Lead Independent Director, presided over these sessions. In 2017, each director (other than Ms. Acker and Mr. Fremder) attended at least 75% of the meetings of the Company's Board (held during the period for which he or she has been a director) and the committees on which he or she served (held during the period that he or she served).

The Board's policy regarding director attendance at the Annual Meeting is that directors are encouraged but not required to attend. Five directors attended the 2017 Annual Meeting of Stockholders. The Company makes appropriate arrangements for directors who choose to attend and reimburses directors for reasonable expenses in connection with his or her attendance.

Independent Director Information

In 2017, independent directors comprised a majority of the Board in accordance with the Company's Guidelines. At least annually, the Board, with the assistance of the CNG Committee, evaluates director independence based on the Nasdaq listing standards and applicable SEC rules and regulations.

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In February 2018, the Board affirmatively determined, upon the recommendation of the CNG Committee, that each director nominee, with the exceptions of Messrs. Pieczynski and Wagner, met the independence requirements of the Nasdaq listing standards and applicable SEC rules and regulations, including the independence requirements for committee membership. In making such determinations, the Board evaluated banking, commercial, service, familial or other transactions involving each director or immediate family member and their related interests and the Company, if any.

In identifying and recommending director nominees, the CNG Committee places primary emphasis on the criteria set forth under "Selection of Directors" in our Guidelines, namely: (i) personal qualities and characteristics, accomplishments and professional reputation; (ii) current knowledge and contacts in the communities in which the Company does business and in the banking industry or other industries relevant to the Company's business; (iii) ability and willingness to commit adequate time to Board and committee matters; (iv) the skills and personality of director nominees with those of other directors in creating a Board that is effective, collegial and responsive to the needs of the Company; (v) diversity of viewpoints, backgrounds, experience and geographical location; and (vi) ability and skill set as well as other relevant experience.

While the CNG Committee does not set specific, minimum qualifications that a director nominee must meet in order for the CNG Committee to recommend the director nominee to the Board, it believes that each director nominee should be evaluated based on his or her individual merits taking into account the needs of the Company and the composition of the Board. Through the Board's annual self-evaluation process, the CNG Committee evaluates the composition of the Board, including whether the diversity of the Board members is appropriate to advise the Company on its risks and opportunities.

Members of the CNG Committee may seek input from other members of the Board in identifying possible candidates, and may, at its discretion, engage one or more search firms to assist in the recruitment of director candidates. The CNG Committee will consider candidates recommended by stockholders against the same criteria as director nominees not proposed by stockholders. Stockholders who wish to submit director nominees for consideration by the CNG Committee for election at our 2019 Annual Meeting of Stockholders should follow the process detailed in the section entitled "Other Business Director Nominations" on page 72.

Board Committees

Risk Committee

The Board delegates authority to the Risk Committee to oversee specific, risk-related issues while facilitating Board comprehension of the Company's overall risk tolerance and enterprise-wide risk management activities and effectiveness. The Risk Committee approves and periodically reviews the Company's enterprise-wide risk management policies and oversees the implementation of the Company's enterprise-wide risk management framework, including the strategies, policies, procedures and systems established by management to identify, assess, measure and manage the Company's material risk categories, including credit and liquidity risk.

The Risk Committee assists the Board committees that oversee specific risk-related issues and serves as a resource to management and its committees including, but not limited to, the Enterprise Risk Management Steering Committee, the Credit Committees, the Model Governance Committee, and the Capital Committee in overseeing risk across the entire Company. The responsibilities of the Risk Committee include, among other things:

overseeing management's implementation of an enterprise-wide risk management framework that is commensurate with the Company's structure, risk profile, complexity, activities and

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size, including the development and implementation of effective policies, processes, and procedures designed to ensure that risks are properly controlled, quantified and within the Company's risk appetite and risk tolerance ranges, and periodically reviewing and evaluating such framework, policies, processes and procedures;

approving and periodically reviewing the Company's enterprise-wide risk management policies;

at least annually, reviewing and recommending to the Board for approval the Company's annual risk appetite statement and the limits and tolerance ranges within it;

reviewing and discussing management's assessment of the Company's aggregate enterprise-wide risk profile and the alignment of the Company's risk profile with the Company's strategic plan, goals and objectives;

reviewing reports from management, including the Chief Risk Officer ("CRO"), the Chief Credit Officer ("CCO"), the Chief Financial Officer ("CFO"), and the Capital Committee, and, if appropriate, other Board committees, regarding matters relating to risk management and/or the Company's risk and compliance organization, including those regarding emerging risks and other selected risk topics and/or enterprise-wide risk issues; and

overseeing other risk management activities, including internal or external credit review, credit management and administration, allowance for credit losses, lending compliance, capital planning and stress testing, and operations and systems risk.

The Company's CRO, CCO, CFO, and Executive Vice President, Manager of Operations and Systems report on a quarterly basis to the Risk Committee, or more frequently as needed, regarding areas within their supervision that pertain to the Company's risk profile. The Risk Committee also receives reports from the Company's external credit review consultants.

A copy of our Risk Committee charter, last approved in February 2018, may be obtained on the Company's website at <http://www.pacwestbancorp.com> under the section entitled "Corporate Governance". During 2017, the Risk Committee met five times.

Asset/Liability Management ("ALM") Committee

The ALM Committee monitors the asset and liability strategies of the Company to ensure compliance with all applicable regulatory and reporting requirements and Company policies. The objective of the Company's ALM policy is: (i) to manage balance sheet and off-balance sheet assets and liabilities in an effort to maximize the spread between interest earned on our interest-earning assets and interest paid on our interest-bearing liabilities, (ii) to maintain acceptable levels of interest rate risk, and (iii) to ensure that the Company has the ability to pay liabilities as they come due and fund continued asset growth. The Company's ALM activities are typically discussed monthly by the executive management members responsible for managing ALM activities. The responsibilities of the ALM Committee include, among other things:

Reviewing the Asset/Liability Management Policy, the Investment Policy, the Interbank Liability Policy, the Bank Owned Life Insurance Policy, the Liquidity Management Policy, the Volcker Rule Policy, the Warrant Policy, and the Contingency Funding Policy;

Reviewing with management investment processes and procedures which focus on the strategic directions of the Company;

Reviewing the execution of asset/liability management and investment strategies;

Reviewing the established monitoring and reporting system which focuses on measuring the Company's exposure to interest rate risk and liquidity position;

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Monitoring performance of the Bank's investment portfolio and strategies; and

Reviewing and approving changes to Treasury policies and recommending approval by the Board.

A copy of our ALM Committee charter, last approved in February 2018, may be obtained on the Company's website at <http://www.pacwestbancorp.com> under the section entitled "Corporate Governance". During 2017, the ALM Committee met four times.

Audit Committee

The Audit Committee assists the Board in its oversight responsibilities for: (i) the quality and integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditors' qualifications and independence, (iv) the performance of the independent auditors and the Company's internal audit function, and (v) in conjunction with the Company's Risk Committee, the Company's risk management functions.

The responsibilities of the Audit Committee include, among other things:

With respect to the independent auditors: (i) to be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors (including the resolution of disagreements between management and the independent auditors regarding accounting and financial reporting matters), (ii) to be directly responsible for the appointment, compensation, retention and oversight of the work of any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or to perform audit, review or attestation services, and (iii) to pre-approve, or to adopt appropriate procedures to pre-approve, all audit and non-audit services to be provided by the independent auditors.

With respect to the internal audit function: (i) in conjunction with the Company's Chief Audit Executive ("CAE"), to select, engage, oversee, and retain the Company's internal auditors, and to review and evaluate qualifications, performance and independence of the Managing Partner and other members of the internal audit function (whether out-sourced or performed in-house), and (ii) to review reports from the internal auditors regarding internal controls and procedures, the Company's financial controls, accounting system, operational controls and procedures, regulatory and legal compliance and changes to the Company's policy and procedures manuals.

With respect to accounting principles and policies, financial reporting and internal control over financial reporting: (i) to review from management, the internal auditors and the independent auditors a timely analysis of significant issues and practices relating to accounting principles and policies, financial reporting and internal control over financial reporting, and (ii) to review and assess the adequacy of the Company's Related-Party Transactions Policy ("RPT Policy") at least annually and recommend any changes to the Board and to review and approve all related-party transactions of the Company.

With respect to reporting and recommendations, to review with management disclosures contained in press releases and financial statement filings with the SEC.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements and the effectiveness of internal control over financial reporting. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for planning and carrying out a proper audit of the Company's annual financial statements, reviewing the Company's quarterly financial statements prior to the filing of each quarterly report on Form 10-Q, annually reporting on

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the effectiveness of the Company's internal control over financial reporting and other procedures. Our independent auditors, KPMG LLP, and its team members have extensive, long-term knowledge of the Company and the banking industry.

The Board determined that the following nominees to the Audit Committee are financially literate and that each of Messrs. Burke, Carlson, Hosler, Molvar and Yung¹ and Ms. Lester is qualified as an audit committee financial expert with accounting or related financial management expertise, in each case in accordance with the rules of the SEC and the listing standards of Nasdaq. For additional information regarding the background and relevant experience of Messrs. Burke, Carlson, Hosler, Molvar, and Yung and Ms. Lester, please see the biographies of director nominees under the section entitled "Proposal 1: Election of Directors" beginning on page 21. Information regarding the functions performed by the Audit Committee can be found in the "Audit Committee Report" included in this Proxy Statement and in the Audit Committee charter.

A copy of our Audit Committee charter, last approved in February 2018, may be obtained on the Company's website at <http://www.pacwestbancorp.com> under the section entitled "Corporate Governance". During 2017, the Audit Committee met 12 times.

Compensation, Nominating and Governance Committee

The CNG Committee reviews, approves, and makes recommendations to the Board on matters concerning the compensation and benefits, including equity compensation, of the Company's executive officers, directors, and employees. The CNG Committee is responsible for the creation of compensation principles and processes that are designed to balance risk and reward in a way that does not encourage unnecessary risk taking by our employees. The CNG Committee also ensures that our compensation programs are competitive and aligned with the long-term interests of our stockholders. The responsibilities of the CNG Committee include, among other things:

Reviewing and approving corporate goals and objectives relevant to the compensation of the CEO, evaluating the performance of the CEO in light of those goals and objectives, and recommending to the Board for determination, the CEO's compensation level based on this evaluation;

Determining the compensation of all other executive officers of the Company;

Approving any new equity compensation plan or any material change to an existing plan where stockholder approval is not required, making recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans, and the Company's 401(k) plan(s) or other employee benefit plans, overseeing the activities of the individuals and committees responsible for administering these plans, and discharging any responsibilities imposed on the Committee by any of these plans;

Approving the annual performance measures, performance targets, performance weights, achievement levels and award opportunities under the Company's Executive Incentive Plan ("EIC Plan");