

Independent Bank Group, Inc.  
Form DEF 14A  
April 18, 2014  
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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 Pursuant to §240.14a-12

**Independent Bank Group, Inc.**

**(Name of Registrant as Specified In Its Charter)**

**(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)(4) 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:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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April 18, 2014

Dear Shareholder:

On behalf of our Board of Directors, I invite you to attend the 2014 Annual Meeting of Shareholders to be held in the Ballroom of The Grand Hotel, 114 West Louisiana Street, McKinney, Texas 75069, on Thursday, May 15, 2014, at 3:30 p.m., Central Time.

The purposes of the meeting are set forth in the accompanying Notice of Annual Meeting of Shareholders and proxy statement. Additionally, we will review our operating results for 2013 and plans for the year ahead.

**Whether or not you plan to attend the meeting, it is important that your shares be represented. Please take a moment to complete, date, sign and return the enclosed proxy card as soon as possible, or use Internet or telephone voting according to the instructions on the proxy card. You may also attend and vote at the meeting.**

We appreciate your continued support of our company and look forward to seeing you at the Annual Meeting.

Sincerely,

David R. Brooks

Chairman of the Board and Chief Executive Officer

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**Independent Bank Group, Inc.**

1600 Redbud Boulevard, Suite 400

McKinney, Texas 75069-3257

(972) 562-9004

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

To the shareholders of Independent Bank Group, Inc.:

The annual meeting of shareholders (the meeting ) of Independent Bank Group, Inc. (the Company ) will be held on Thursday May 15, 2014, at 3:30 p.m., Central Time, in the Ballroom of The Grand Hotel, 114 West Louisiana Street, McKinney Texas 75069, for the following purposes:

1. To elect four (4) Class I directors to serve on the board of directors of the Company until the Company's 2017 annual meeting of shareholders, and each until their successors are duly elected and qualified or until their earlier resignation or removal;
2. To ratify the appointment of McGladrey LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2014; and

3. To transact such other business as may properly come before the meeting or any adjournment thereof. A proxy statement describing these proposals is attached. If you have any questions concerning the proxy statement, would like additional copies of the proxy statement or need help voting your shares of the Company's common stock, please contact Jan Webb, the Company's Executive Vice President and Secretary, at (972) 562-9004.

By Order of the Board of Directors,

Jan C. Webb

Executive Vice President and Secretary

McKinney, Texas

April 18, 2014

**Your Vote is Important**

A proxy card is enclosed. Whether or not you plan to attend the annual meeting, please vote by completing, signing and dating the proxy card and promptly mailing it in the enclosed envelope or via the Internet or by telephone pursuant to the instructions provided on the enclosed proxy card. You may revoke your proxy card in the manner described in the proxy statement at any time before it is exercised. If you attend the annual meeting, you may vote in person if you desire, even if you have previously returned your proxy card or submitted your vote via the Internet or by telephone.

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**PROXY STATEMENT FOR  
2014 ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON THURSDAY, MAY 15, 2014**

Unless the context otherwise requires, references in this proxy statement to we, us, our, our company, the Company, Independent Bank Group, Inc., a Texas corporation, and its consolidated subsidiaries as a whole; references to the Bank refer to Independent Bank (a wholly-owned subsidiary of Independent Bank Group, Inc.). In addition, unless the context otherwise requires, references to shareholders are to the holders of our voting securities, which consist of our common stock, par value \$.01 per share (the common stock).

This proxy statement is being furnished in connection with the solicitation of proxies by the board of directors of the Company (the board) for use at the 2014 annual meeting of shareholders of the Company to be held in the Ballroom of The Grand Hotel, 114 West Louisiana Street, McKinney Texas 75069, on Thursday, May 15, 2014 at 3:30 p.m., Central Time, and any adjournments thereof (the meeting) for the purposes set forth in this proxy statement and the accompanying notice of the meeting. This proxy statement, the notice of the meeting and the enclosed proxy card is first being sent to shareholders on or about April 18, 2014.

**IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE 2014  
ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON THURSDAY, MAY 15, 2014**

Pursuant to rules promulgated by the Securities and Exchange Commission (SEC), the Company is providing access to its proxy materials both by sending you this full set of proxy materials and by notifying you of the availability of its proxy materials on the Internet. You may access the following information at [www.ibtx.com](http://www.ibtx.com):

Notice of 2014 Annual Meeting of Shareholders to be held on Thursday, May 15, 2014;

Proxy Statement for 2014 Annual Meeting of Shareholders to be held on Thursday, May 15, 2014;

Form of Proxy; and

Annual Report to Shareholders, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

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**ABOUT THE MEETING**

**When and where will the meeting be held?**

The meeting is scheduled to take place at 3:30 p.m., Central Time, on Thursday, May 15, 2014, in the Ballroom of The Grand Hotel, 114 West Louisiana Street, McKinney Texas 75069.

**What is the purpose of the Meeting?**

This is the 2014 annual meeting of shareholders. At the meeting, shareholders will act upon the matters outlined in the notice attached to this proxy statement, including the following:

1. To elect four (4) Class I directors to serve on the board of directors of the Company until the Company's 2017 annual meeting of shareholders, and each until their successors are duly elected and qualified or until their earlier resignation or removal;
2. To ratify the appointment of McGladrey LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2014; and
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

**Who are the nominees for Class I directors?**

The following four persons have been nominated for reelection:

Torry Berntsen

Jack M. Radke

G. Stacy Smith

James D. Stein

**How do I vote?**

You may attend the meeting and vote in person, or you may vote by proxy.

**What is a proxy?**

A proxy is another person that you legally designate to vote your stock. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card.

**What is a proxy statement?**

A proxy statement is a document that describes the matters to be voted upon at the meeting and provides additional information about the Company. Pursuant to regulations of the SEC, we are required to provide you with a proxy statement containing certain information when we ask you to sign a proxy card to vote your stock at a meeting of the Company's shareholders.

**Who is entitled to vote at the annual meeting?**

The holders of record of the Company's common stock as of 5:00 p.m. on April 3, 2014, which is the date that the Company's board of directors has fixed as the record date for the annual meeting, are entitled to vote at the annual meeting.

**What is the record date and what does it mean?**

The record date to determine the shareholders entitled to notice of and to vote at the meeting is the close of business on April 3, 2014 (the record date). The record date is established by the board as required by Texas law. On the record date, 12,592,935 shares of common stock were outstanding.

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### **What are the voting rights of the shareholders?**

Each holder of common stock is entitled to one vote for each share of common stock registered, on the record date, in such holder's name on the books of the Company on all matters to be acted upon at the annual meeting. The Company's certificate of formation prohibits cumulative voting.

The holders of at least a majority of the outstanding shares of common stock must be represented at the annual meeting, in person or by proxy, in order to constitute a quorum for the transaction of business. At any annual meeting, whether or not a quorum is present, the chairman of the annual meeting or the holders of a majority of the issued and outstanding common stock, present in person or represented by proxy and entitled to vote at the annual meeting, may adjourn the annual meeting from time to time without notice or other announcement.

### **What is the difference between a shareholder of record and a street name holder?**

If your shares are registered directly in your name with Wells Fargo Shareowner Services, the Company's stock transfer agent, you are considered the shareholder of record with respect to those shares. The proxy statement and proxy card have been sent directly to you by Wells Fargo Shareowner Services at the Company's request.

If your shares are held in a stock brokerage account or by a bank or other nominee, the nominee is considered the record holder of those shares. You are considered the beneficial owner of these shares, and your shares are held in street name. The proxy statement and proxy card have been forwarded to you by your nominee. As the beneficial owner, you have the right to direct your nominee concerning how to vote your shares by using the voting instructions your nominee included in the mailing or by following its instructions for voting.

### **What is a broker non-vote?**

A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. Your broker has discretionary authority to vote your shares with respect to the ratification of the appointment of McGladrey LLP as our independent registered public accounting firm (Proposal 2). In the absence of specific instructions from you, your broker does not have discretionary authority to vote your shares with respect to the election of directors to our board (Proposal 1).

### **What should I do if I receive more than one set of voting materials?**

You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. Similarly, if you are a shareholder of record and hold shares in a brokerage account, you will receive a proxy card for shares held in your name and a voting instruction card for shares held in street name. Please complete, sign, date and return each proxy card and voting instruction card that you receive to ensure that all your shares are voted.

### **What do I need to do now?**

After you have thoroughly read and considered the information contained in this proxy statement, you simply need to vote your shares of common stock, either in person or by proxy, at the annual meeting. The process for voting your shares depends on how your shares are held as described above.

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If you are a record holder on the record date for the annual meeting, you may vote by proxy or you may attend the annual meeting and vote in person. If you are a record holder and want to vote your shares by proxy, you have three ways to vote:

simply indicate on the proxy card(s) applicable to your common stock how you want to vote and sign, date and mail your proxy card(s) in the enclosed pre-addressed postage-paid envelope as soon as possible to ensure that it will be received in advance of the annual meeting;

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call 1-866-883-3382 using a touch-tone telephone and follow the instructions provided on the call; or

go to the website [www.proxypush.com/ibtX](http://www.proxypush.com/ibtX) and follow the instructions for Internet voting on that website. Your proxy card must be received by the Company by no later than the time the polls close for voting at the annual meeting for your vote to be counted at the annual meeting. Please note that telephone and Internet voting will close at 11:59 p.m., Central Time, on Wednesday, May 14, 2014.

Voting your shares by proxy will enable your shares of common stock to be represented and voted at the annual meeting if you do not attend the annual meeting and vote your shares in person.

### **What are the Board's recommendations on how I should vote my shares?**

The Board recommends that you vote your shares as follows:

Proposal 1 **FOR** the election of each nominee for director; and

Proposal 2 **FOR** the ratification of the appointment of McGladrey LLP.

### **How will my shares be voted if I return a signed and dated proxy card, but don't specify how my shares will be voted?**

If you are a record holder who returns a completed proxy card that does not specify how you want to vote your shares on one or more proposals, the proxies will vote your shares for each proposal as to which you provide no voting instructions, and such shares will be voted in the following manner:

Proposal 1 **FOR** the election of each nominee for director; and

Proposal 2 **FOR** the ratification of the appointment of McGladrey LLP.

If you are a street name holder and do not provide voting instructions on one or more proposals, your bank, broker or other nominee will be unable to vote those shares, except that the nominee will have discretion to vote on the ratification of the appointment of McGladrey LLP (Proposal 2).

### **What are my choices when voting?**

In the election of directors, you may vote for all director nominees or you may withhold your vote as to one or more director nominees. With respect to each of the other proposals, you may vote for the proposal, against the proposal or abstain from voting on the proposal.

### **Can I attend the annual meeting and vote in person?**

Yes. All shareholders are invited to attend the annual meeting. Shareholders of record on the record date for the annual meeting can vote in person at the annual meeting.

If your shares of common stock are held in street name, then you are not the shareholder of record. In order for you to vote the shares that you beneficially own and that are held in street name in person at the annual meeting, you must bring a legal proxy from the broker, bank or other nominee that was the record holder of your shares held in street

name as of 5:00 p.m. on Thursday, April 3, 2014, confirming that you were the beneficial owner of those shares as of 5:00 p.m. on Thursday, April 3, 2014, stating the number of shares of which you were the beneficial owner that were held for your benefit at that time by that broker, bank or other nominee and appointing you as the record holder's proxy to vote the shares covered by that proxy at the annual meeting.

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### **May I change my vote after I have submitted my proxy card?**

Yes. Regardless of the method used to cast a vote, if a shareholder is a holder of record, he or she may change his or her vote by:

delivering to the Company prior to the annual meeting a written notice of revocation addressed to: Jan Webb, Executive Vice President and Corporate Secretary, 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069-3257;

completing, signing and returning a new proxy card with a later date than your original proxy card prior to such time that the proxy card for any such holder of common stock must be received, and any earlier proxy will be revoked automatically;

logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card, in each case if you are eligible to do so and following the instructions indicated on the proxy card; or

attending the annual meeting and voting in person, and any earlier proxy will be revoked. However, simply attending the annual meeting without voting will not revoke your proxy.

If your shares are held in street name and you desire to change any voting instructions you have previously given to the record holder of the shares of which you are the beneficial owner, you should contact the broker, bank or other nominee holding your shares in street name in order to direct a change in the manner your shares will be voted.

### **What percentage of the vote is required to approve each proposal?**

Assuming the presence of a quorum, the four (4) director nominees who receive the most votes from the holders of the shares of our common stock for their election will be elected, i.e., the affirmative vote of the holders of a plurality of the shares of common stock voting at the annual meeting is required for the election of the director nominees (Proposal 1).

The ratification of McGladrey LLP's appointment as the Company's independent registered public accounting firm (Proposal 2) will require the affirmative vote of the holders of a majority of the shares of the Company's common stock entitled to vote and present in person or represented by proxy at the annual meeting.

### **How are broker non-votes and abstentions treated?**

Brokers, as holders of record, are permitted to vote on certain routine matters, but not on non-routine matters. A broker non-vote occurs when a broker does not have discretionary authority to vote the shares and has not received voting instructions from the beneficial owner of the shares. The only routine matter to be presented at the annual meeting is the ratification of the appointment of the independent registered public accounting firm (Proposal 2). If you hold shares in street name and do not provide voting instructions to your broker, those shares will be counted as broker non-votes for all non-routine matters.



A broker non-vote or a withholding of authority to vote with respect to one or more nominees for director will not have the effect of a vote against such nominee or nominees because broker non-votes and abstentions are counted for purposes of determining the presence or absence of a quorum, but are not counted as votes cast at the annual meeting. Any abstentions will not have the effect of a vote against the proposals to ratify the appointment of McGladrey LLP as the Company's independent registered public accounting firm. Because the ratification of the appointment of the independent registered public accounting firm is considered a routine matter and a broker or other nominee may generally vote on routine matters, no broker non-votes are expected to occur in connection with this proposal.

**Do I have any dissenters or appraisal rights with respect to any of the matters to be voted on at the annual meeting?**

No. None of our shareholders has any dissenters or appraisal rights with respect to the matters to be voted on at the annual meeting.

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**What are the solicitation expenses and who pays the cost of this proxy solicitation?**

Our board is asking for your proxy, and we will pay all of the costs of soliciting shareholder proxies. We may use officers and employees of the Company to ask for proxies, as described below.

**Is this proxy statement the only way that proxies are being solicited?**

No. In addition to the solicitation of proxies by use of the mail, if deemed advisable, directors, officers and regular employees of the Company may solicit proxies personally or by telephone or other means of communication, without being paid additional compensation for such services. This proxy solicitation is made by the Board, and the cost of this solicitation is being borne by the Company. The Company will reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expense in forwarding the proxy materials to beneficial owners of the Company's common stock.

**Are there any other matters to be acted upon at the annual meeting?**

Management does not intend to present any business at the annual meeting for a vote other than the matters set forth in the notice, and management has no information that others will do so. The proxy also confers on the proxies the discretionary authority to vote with respect to any matter presented at the annual meeting for which advance notice was not received by the Company in accordance with the Company's Third Amended and Restated Bylaws, or the Bylaws. If other matters requiring a vote of the shareholders properly come before the annual meeting, it is the intention of the persons named in the accompanying form of proxy to vote the shares represented by the proxies held by them in accordance with applicable law and their judgment on such matters.

**Where can I find voting results?**

The Company expects to publish the voting results in a current report on Form 8-K, which it expects to file with the SEC within four business days following the annual meeting.

**Who can help answer my questions?**

The information provided above in this "Question and Answer" format is for your convenience only and is merely a summary of the information contained in this proxy statement. We urge you to carefully read this entire proxy statement and the accompanying annual report. If you have additional questions about the proxy statement or the annual meeting, you should contact Jan Webb, Executive Vice President and Secretary, Independent Bank Group, Inc., 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069, telephone (972) 562-9004.

**Table of Contents****PROPOSAL 1. ELECTION OF DIRECTORS****Classification of the Company's Directors**

In accordance with the terms of the Company's amended and restated certificate of formation, the Company's current board of directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms as follows:

The Class I directors are Torry Berntsen, Jack M. Radke, G. Stacy Smith and James D. Stein, and their terms will expire at the annual meeting of shareholders to be held in 2014;

The Class II directors are Daniel W. Brooks, William E. Fair, Craig E. Holmes, Donald L. Poarch and Michael T. Viola, and their terms will expire at the annual meeting of shareholders to be held in 2015; and

The Class III directors are David R. Brooks, M. Brian Aynesworth, Douglas A. Cifu and J. Webb Jennings III, and their terms will expire at the annual meeting of shareholders to be held in 2016.

**Election Procedures; Term of Office**

At each annual meeting of shareholders, or special meeting in lieu thereof, upon the expiration of the term of a class of directors, the successors to such directors will be elected to serve from the time of election and qualification until the third annual meeting following his or her election and the election and qualification of his or her successor. Any additional directorships resulting from an increase in the number of directors (as discussed above) will be distributed by the board of directors among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

**Nominees for Election**

The Corporate Governance and Nominating Committee has recommended to the independent members of the Company's board of directors, and the independent members of the board of directors has approved the nomination of, Torry Berntsen, Jack M. Radke, G. Stacy Smith and James D. Stein to fill the Class I director seats and the independent members of the board of directors recommends these nominees for election by the Company's shareholders as members of the board of directors. Torry Berntsen, Jack M. Radke, G. Stacy Smith and James D. Stein are currently serving as Class I directors.

The following table sets forth the name, age, and positions with the Company for each nominee for election as a director of the Company:

<b>Name of Nominee</b>	<b>Age</b>	<b>Position(s)</b>	<b>Director Since</b>
Torry Berntsen <sup>(1)</sup>	55	President, Chief Operating Officer and Class I Director	2009
Jack M. Radke <sup>(2)</sup>	66	Class I Director	2002

G. Stacy Smith <sup>(2)</sup>	46	Class I Director	2013
James D. Stein <sup>(1)</sup>	55	Vice Chairman, Houston Region CEO and Class I Director	2014

(1) Member, Strategic Planning Committee

(2) Member, Audit Committee and Member, Compensation Committee

**Torry Berntsen.** Torry Berntsen is President, Chief Operating Officer and a director of the Company. He previously served as Vice Chairman of Corporate Development and a director from 2009 to April 2013. Prior to joining the Company, Mr. Berntsen spent twenty-five years in various senior management roles at The Bank of New York Mellon, or BNY Mellon, including Executive Vice President and Senior Executive Vice President of BNY Mellon and a director and President of BNY Capital Markets, Inc., a subsidiary of BNY Mellon. At BNY Mellon, he was a member of the firm's Executive and Asset/Liability Committees. Prior to BNY Mellon, he spent four years at JP Morgan. Mr. Berntsen has also served since 2009 as Vice Chairman of Virtu Management, LLC, a private family management company located in New York City, which is owned by the Company's largest shareholder, Vincent

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Viola. In addition to his position on the board of directors at certain portfolio companies of Virtu Management, LLC, Mr. Berntsen currently serves on the board of directors of the Norwegian Christian Home and Health Center and oversees The Tyler Berntsen Memorial Foundation. Mr. Berntsen's qualifications to serve on the Company's board of directors include his extensive thirty-plus years of banking experience and his experience as an executive officer and director of the Company.

**Jack M. Radke.** Jack M. Radke is a member of the board of directors of the Company, a position he has held since it was formed in 2002. He served as the Chairman of Independent Bank's Audit Committee since January 2011. Mr. Radke is the owner of Ag-Power, Inc., which sells agricultural and consumer equipment through its John Deere dealerships, and has served as its President since 1988. He is also currently a board member for the Southwestern Association of Kansas City, an association of equipment dealers for a five-state area. Mr. Radke's qualifications to serve on the Company's board of directors include his extensive experience as a director of the Company and member of the Audit Committee of the Company and Independent Bank.

**G. Stacy Smith.** G. Stacy Smith is a member of the board of directors of the Company, joining the board in February 2013. Mr. Smith is co-founder and an active partner in Trinity Investment Group, which invests in private equity, public equity and hard assets. Mr. Smith is also co-founder, Chairman and a member of the Investment Committee of Stonelake Capital Partners, a private investment firm. In addition, he serves as an advisor of EAW Energy Partners, an oil and gas minerals acquisition firm. In 1997, Mr. Smith co-founded Walker Smith Capital, a long/short equity hedge fund based in Dallas, Texas, and he served as portfolio manager of that firm for sixteen years. From 1994 through 1996, Mr. Smith was a co-founder and manager of Gryphon Partners, a long/short equity hedge fund focused on small and mid-cap domestic equities. He started his investment career as an energy analyst at Wasserstein Perella & Co., an international investment bank. Mr. Smith is a member of the Salesmanship Club of Dallas, an association of business professionals that supports local charitable organizations. Mr. Smith's qualifications to serve on the Company's board of directors include his extensive experience in overseeing the management of investment firms and his knowledge of the Texas banking market.

**James D. Stein.** James D. Stein is a member of the board of directors of the Company, joining the board in April 2014. Mr. Stein was the founding President and Chief Executive Officer of Bank of Houston, which opened in March 2005, and BOH Holdings, Inc. Mr. Stein's banking career spans close to thirty years, including serving as President of Columbus State Bank in Columbus, Texas, and Central Texas Bankshare Holdings, Inc. Mr. Stein has served on the board of directors of South Central Texas Bankers Association (past president), Texas Bankers Association, Momentum Capital Corporation and Columbus Properties of New Orleans, L.A. Mr. Stein is active in various local professional, civic, educational and church organizations. Mr. Stein attended The University of Texas at Austin. Mr. Stein's qualifications to serve on the Company's board of directors include his extensive experience as an executive officer and director of BOH Holdings and his knowledge of the Texas banking market.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES LISTED ABOVE FOR ELECTION TO THE BOARD OF DIRECTORS.**

**Agreements Pursuant to which Certain Directors were Selected and Nominated**

On November 21, 2013, pursuant to the Agreement and Plan of Reorganization, dated as of November 21, 2013, by and between the Company and BOH Holdings, pursuant to which BOH Holdings was acquired by and merged into the Company effective April 15, 2014, the Company expanded the Company's board of directors from ten (10) to thirteen (13) members. As required by the reorganization agreement, the Company submitted three BOH Holdings nominees (Messrs. Jennings, Poarch and Stein) to its shareholders for election to fill the three new director seats at the Company's special meeting held on April 14, 2014 and these individuals were elected as directors at the shareholder

meeting. In connection with the completion of the merger on April 15, 2014, Mr. Stein became a Class I director, Mr. Poarch became a Class II director and Mr. Jennings became a Class III director. The election of such individuals to these directorships was an express condition to the consummation of the BOH Holdings merger. Under the terms of the reorganization agreement, the Company agreed to recommend that the Company shareholders elect James D. Stein to the board of directors of the Company at the 2014 annual meeting.

**Table of Contents****CURRENT EXECUTIVE OFFICERS AND DIRECTORS**

The following table sets forth the name, age and position with the Company of each of the Company's directors whose terms of office do not expire at the annual meeting and executive officers. The business address for all of these individuals is 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069-3257.

<b>Name</b>	<b>Age</b>	<b>Position with the Company</b>
David R. Brooks <sup>(1)</sup>	55	Chairman of the Board, Chief Executive Officer and Director
Daniel W. Brooks	53	Vice Chairman, Chief Risk Officer and Director
Brian E. Hobart	48	Vice Chairman and Chief Lending Officer
Michelle S. Hickox	46	Executive Vice President and Chief Financial Officer
Jan C. Webb	55	Executive Vice President and Secretary
M. Brian Aynesworth <sup>(2)</sup>	46	Director
Douglas A. Cifu <sup>(3)</sup>	48	Director
William E. Fair <sup>(4)</sup>	52	Director
Craig E. Holmes <sup>(5)</sup>	56	Director
J. Webb Jennings III <sup>(6)</sup>	43	Director
Donald L. Poarch <sup>(7)</sup>	62	Director
Michael T. Viola <sup>(7)</sup>	27	Director

(1) Member, Strategic Planning Committee

(2) Chairman, Strategic Planning Committee and Member, Corporate Governance and Nominating Committee

(3) Chairman, Corporate Governance and Nominating Committee

(4) Chairman, Compensation Committee

(5) Chairman, Audit Committee

(6) Member, Compensation Committee

(7) Member, Corporate Governance and Nominating Committee

The following is a brief discussion of the business and banking background and experience of the Company's current directors and executive officers. Other than as described below, no director or director nominee has any family relationship, as defined in Item 401 in Regulation S-K, with any other director or with any of the Company's executive officers. All officers of the Company are elected annually by the board and serve at the discretion of the board.

**David R. Brooks.** David R. Brooks is Chairman of the Board, Chief Executive Officer and a director of the Company, a position he has held since the Company was formed in 2002. Mr. Brooks began his banking career in the early 1980s with a large regional bank and has been active in community banking since he led the investor group that acquired Independent Bank in 1988. Mr. Brooks has previously served as a board member of the Independent Bankers Association of Texas. He currently serves on the board of managers of Noel-Levitz, LLC, a large national higher education company, on the board of directors of Capital Southwest Corporation and on the Board of Trustees of Houston Baptist University, and previously served as the Chief Financial Officer at Baylor University from 2000 to 2004. Mr. Brooks previously served on the McKinney City Council (term expired May 2013) and previously served as President of the Board of Trustees of the McKinney Independent School District for five years and served for three years on both the McKinney Economic Development Corporation Board and the McKinney Chamber of Commerce

Board. David R. Brooks is the brother of Daniel W. Brooks. Mr. Brooks' qualifications to serve on the Company's board of directors include his extensive experience managing and overseeing the operations and growth of the Company and Independent Bank during his tenure as Chairman and Chief Executive Officer of the Company.



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**Daniel W. Brooks.** Daniel W. Brooks is Vice Chairman, Chief Risk Officer and a director of the Company. He has served as Vice Chairman and a director of the Company since 2009 and as Chief Risk Officer of the Company since April 2013. He previously served as President and a director of the Company from 2002 to 2009 and has functioned as the Company's Chief Credit Officer throughout his tenure. Mr. Brooks began his banking career in the early 1980s with a large regional bank and has been active in community banking since the late 1980s. Mr. Brooks has served in numerous leadership roles in the Collin County community, including service as Chairman of the Board for Medical Center of McKinney and on the boards of directors of McKinney Christian Academy and the McKinney Education Foundation. Daniel W. Brooks is the brother of David R. Brooks. Mr. Brooks' qualifications to serve on the Company's board of directors include his extensive experience as an executive officer and director of the Company.

**Brian E. Hobart.** Brian E. Hobart is Vice Chairman and Chief Lending Officer of the Company and President-Independent Bank Central Texas. Since 2009, he has functioned as Chief Lending Officer, serving as President and a director at both the Company and Independent Bank during this time. Mr. Hobart was one of the founders of IBG Central Texas and served as its President and as a director from 2004 until January 2009. Prior to joining IBG Central Texas, he served as a senior officer of other Waco banks for thirteen years. Mr. Hobart is a former member of the board of the McKinney Education Foundation.

**Michelle S. Hickox.** Michelle S. Hickox is Executive Vice President and Chief Financial Officer of the Company. Prior to joining the Company in May 2012, Ms. Hickox was an audit partner with McGladrey LLP, the fifth largest public accounting firm in the United States. Over her twenty-two year career in public accounting, Ms. Hickox provided audit, financial reporting, internal control assistance and training to community banks and was a designated financial institution specialist within McGladrey LLP. Ms. Hickox is a licensed certified public accountant and is a member of the AICPA, the Texas Society of Certified Public Accountants and the Dallas CPA Society.

**Jan C. Webb.** Jan C. Webb is Executive Vice President and Secretary to the board of directors of the Company and Executive Vice President and Senior Operations Officer of Independent Bank. Ms. Webb previously served as Executive Vice President, Chief Operations Officer and a director of the Company from May 2012 to April 2013. Prior to May 2012, Ms. Webb served as Executive Vice President, Chief Financial Officer and a director of the Company since it was formed in 2002. Ms. Webb has over thirty years of experience in the banking industry, including approximately twenty-five years of experience with the Company's management team. She is active in her church, serving on various committees, including the finance committee.

**M. Brian Aynesworth.** M. Brian Aynesworth is a member of the board of directors of the Company, joining the board in 2009. Mr. Aynesworth previously served as Executive Vice President of Independent Bank from 2009 to April 2013. He was a founder of IBG Central Texas and served as Executive Vice President and a director of that entity from 2004 until it was combined with the Company in 2009. Mr. Aynesworth has also served as the President and Chief Executive Officer of Southwestern Commercial Properties, LLC, a private real estate company, since 2002 and on the board of directors of Capstone Mechanical, LP, a professional engineering, contracting and service company, since 2005. He is active in the Waco community, serving on the boards of several local charitable organizations, including the Boys & Girls Club of Waco, the Waco Montessori School, and the First Presbyterian Church Waco Foundation. Mr. Aynesworth's qualifications to serve on the Company's board of directors include his extensive experience as a director and officer of the Company, Independent Bank and IBG Central Texas.

**Douglas A. Cifu.** Douglas A. Cifu is a member of the board of directors of the Company, joining the board in 2008. Mr. Cifu has served as the President and Chief Operating Officer of Virtu Financial LLC, a global electronic market making firm, since 2008 when he co-founded the business with the Company's largest shareholder, Vincent Viola. Mr. Cifu also has served as the President and Chief Operating Officer of Virtu Management LLC since 2008. Prior to the founding of Virtu Financial LLC in 2008, Mr. Cifu was a partner at the international law firm of Paul, Weiss,

Rifkind, Wharton & Garrison, LLP, where he served as Deputy

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Chairman of the Corporate Department, Head of the Private Equity Group and a member of the firm's Management Committee. Mr. Cifu's qualifications to serve on the Company's board of directors include his extensive experience representing and working with publicly traded companies and his experience as a director of the Company.

**William E. Fair.** William E. Fair is a member of the board of directors of the Company. He joined the board when IBG Central Texas was combined with the Company in 2009, prior to which he served as a director of IBG Central Texas beginning in 2007. Mr. Fair has served as the Chairman and Chief Executive Officer of Home Abstract and Title Company, a title insurance agency located in Waco, Texas, since 1988 and has served on the board of directors of Capstone Mechanical, LP since 2005. He also serves on the board of trustees of Hillcrest Baptist Medical Center, Scott & White Healthcare, further serving as Chairman of the Board of Development for that organization. Mr. Fair's qualifications to serve on the Company's board of directors include his extensive experience in the real estate industry and his experience as a director of the Company, Independent Bank and IBG Central Texas.

**Craig E. Holmes.** Craig E. Holmes is a member of the board of directors of the Company, joining the board in February 2013. Mr. Holmes is the Chief Financial Officer of Sizmek, Inc., a NASDAQ Global Market traded global advertising campaign management company that was spun out of Digital Generation, Inc., which he joined in October 2012. Mr. Holmes previously served as Executive Vice President and Chief Financial Officer of Quickoffice, Inc., a mobile software company, from 2011 to 2012, provided advisory and consulting services to the board of directors and management and led the finance functions for Enfora, Inc., a global manufacturing and software development company, from 2008 to 2011, and served as Executive Vice President and Chief Financial Officer of Intervoice, Inc., a publicly traded global software and services company, from 2003 to 2008. Mr. Holmes has also previously served as Executive Vice President and Chief Financial Officer of Masergy Communications, Inc., a network services and equipment provider, as Chief Financial Officer of EpicRealm Inc., a software development and network services company, and as Executive Vice President and Chief Financial Officer of Excel Communications, Inc., a provider of telecommunications equipment and services. Prior to joining Excel Communications, Mr. Holmes was a partner at Arthur Andersen, a national public accounting firm, where he worked from 1992 to 1995. Mr. Holmes' qualifications to serve on the Company's board of directors include his extensive experience as chief financial officer of publicly traded companies and his twenty years' experience in finance and accounting.

**J. Webb Jennings III.** J. Webb Jennings III is a member of the board of directors of the Company, joining the board in April 2014. Mr. Jennings is a vice president at Hancock Park Associates, a middle-market private equity firm with offices in Houston, Texas, and Los Angeles, California. Hancock Park Associates primarily focuses on making control investments in privately held manufacturing, industrial, service and retail businesses as well as other niche investment opportunities. Mr. Jennings has served as a vice president at Hancock Park Associates since 2007. Mr. Jennings served on the BOH Holdings board of directors since 2005 until the BOH Holdings merger. He also currently serves on the boards of directors of Crimson Well Services, Drilltec and Cockrell Interests. Mr. Jennings also serves on the boards of directors of several Houston based charitable organizations and foundations. Mr. Jennings graduated with a B.A. from The University of Texas and an M.B.A. from Southern Methodist University.

**Donald L. Poarch.** Donald L. Poarch is a member of the board of directors of the Company, joining the board in April 2014. Mr. Poarch has been a partner and co-owner of The Sprint Companies since 1976. The Sprint Companies are a diverse group of approximately ten different companies operating throughout the Texas Gulf Coast area. He has been a member of the BOH Holdings board of directors since 2008, and its chairman since 2012. He was a member of the Bank of Houston's board of directors since 2005, and its chairman since 2012, until the BOH Holdings merger. In the past 25+ years, Mr. Poarch has bought, sold and grown more than twenty companies. Mr. Poarch currently serves on the boards of directors for Keep Houston Beautiful and the Houston Clean City Commission. Mr. Poarch attended The University of Texas at Austin and is currently active in various civic and charitable foundations.



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**Michael T. Viola.** Michael T. Viola is a member of the board of directors of the Company, joining the board in February 2013. Mr. Viola is an energy and commodities futures trader at Virtu Financial LLC, a global electronic market making firm that employs advanced proprietary technologies to trade on electronically accessible financial exchanges and market centers worldwide that he joined in 2010, serving as an executive assistant and a project manager. Mr. Viola also served on the board of a family-founded nonprofit organization focused on Catholic education initiatives in inner-city communities from 2010 to 2011. Mr. Viola is the son of the Company's largest shareholder, Vincent Viola. Mr. Viola's qualifications to serve on the Company's board of directors include his knowledge of financial markets and his familiarity with the Company given his family's ownership of Independent Bank over the past twenty-five years.

## **Shareholder Approval**

The affirmative vote of a plurality of the shares of the Company's common stock outstanding present in person or by proxy at the annual meeting is required for the election of each of the nominees for director.

## **Board Composition**

The Company's board of directors currently has thirteen (13) members serving on the board. The number of directors may be changed only by resolution of the board of directors within the range set forth in the Company's certificate of formation (unless the Company's shareholders act to amend the authorized number of directors designated in the Company's certificate of formation). The board of directors may increase the number of directors by two and fill these vacancies until the next annual meeting of shareholders. As discussed in greater detail below, the board of directors has affirmatively determined that eight of its thirteen current directors qualify as independent directors under Rule 5605(a)(2) of the NASDAQ Stock Market Rules and the SEC.

## **Board of Director Meetings**

The board of directors of the Company (including regularly scheduled and special meetings) met twelve (12) times during the 2013 fiscal year. The Audit Committee met seven (7) times during the 2013 fiscal year. The Compensation Committee met four (4) times during the 2013 fiscal year. The Corporate Governance and Nominating Committee met one (1) time during the 2013 fiscal year. The Strategic Planning Committee met four (4) times during the 2013 fiscal year. During fiscal year 2013, each director participated in at least 75% or more of the aggregate of (i) the total number of meeting of the board of directors (held during the period for which he was a director) and (ii) the total number of meetings of all committees of the board of directors on which he served (during the period that he served).

## **Shareholder Communications with Directors**

To communicate with the Company's directors, shareholders should submit their comments to Jan Webb, Executive Vice President and Corporate Secretary, either by sending written correspondence via mail or courier to Independent Bank Group, Inc., 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069; or via email at [jwebb@ibt.com](mailto:jwebb@ibt.com). Shareholder communications will be sent directly to the specific director or directors of the Company indicated in the communication or to all of the Company's directors if not specified.

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**BOARD AND COMMITTEE MATTERS**

**Director Independence**

Under the rules of the NASDAQ Global Select Market, independent directors must comprise a majority of the Company's board of directors within a specified period of time of the consummation of the Company's initial public offering. The rules of the NASDAQ Global Select Market, as well as those of the SEC, also impose several other requirements with respect to the independence of directors.

The Company's board of directors has evaluated the independence of its members based upon the rules of the NASDAQ Global Select Market and the SEC. Applying these standards, the board of directors has affirmatively determined that, with the exception of David R. Brooks, Torry Berntsen, Daniel W. Brooks, M. Brian Aynesworth and James D. Stein, each of the Company's directors is an independent director, as defined under the applicable rules. The board of directors determined that each of David R. Brooks, Torry Berntsen, Daniel W. Brooks, M. Brian Aynesworth and James D. Stein does not qualify as an independent director because of his position as an executive officer of the Company or Independent Bank. Even though Mr. Aynesworth resigned from his executive officer position with Independent Bank in April 2013, Mr. Aynesworth cannot be deemed to be independent under the rules of the NASDAQ Global Select Market for a period of three years from the date of his resignation.

**Board Leadership Structure**

David R. Brooks currently serves as the Company's Chairman of the Board and Chief Executive Officer. Mr. Brooks has served in both of these positions since the inception of the Company in 2002. Mr. Brooks' primary duties are to lead the Company's board of directors in establishing the Company's overall vision and strategic plan and to lead the Company's management in carrying out that plan. While the Company recognizes the inherent conflict of interest that arises when the positions are held by one person, the Company believes that the overall benefit of Mr. Brooks' leadership in both roles outweighs any potential disadvantage of this structure. The Company's lead independent director is Douglas A. Cifu.

The Company has also structured its management team to mitigate the corporate governance risk related to the dual positions held by David R. Brooks. Daniel W. Brooks, the Company's Vice Chairman and Chief Risk Officer, is responsible for overseeing the Company's credit function, the most important component of the Company's operations. Torry Berntsen, the Company's President and Chief Operating Officer, is responsible for supervising the Company's operations and technology in addition to overall expansion and development. In that role, Mr. Berntsen will assist the Company's board of directors in overseeing management and ensuring that the Company is operating to implement the strategies set by the board of directors and in compliance with established policies and procedures. By having other executive officers with separate and distinct roles, the Company believes that it will obtain benefits similar to the benefits of having a separate Chairman and Chief Executive Officer.

**Board Committees**

In February 2013, the Company's board of directors established standing committees at the Company level in connection with the discharge of its responsibilities. These committees include an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and a Strategic Planning Committee.

In the future, the Company's board of directors also may establish such additional committees as it deems appropriate, in accordance with applicable law and regulations and the Company's certificate of formation and bylaws.

**Audit Committee**

The members of the Company's Audit Committee are Craig E. Holmes (Chairman), Jack M. Radke and G. Stacy Smith. The Company's board of directors has evaluated the independence of each of the members of the Audit Committee and has affirmatively determined that (i) each of the members meets the definition of an

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independent director under NASDAQ Global Select Market rules, (ii) each of the members satisfies the additional independence standards under applicable SEC rules for audit committee service and (iii) each of the members has the ability to read and understand fundamental financial statements. In addition, the board of directors has determined that Mr. Holmes is a financial expert and has the required financial sophistication due to his experience and background, which NASDAQ Global Select Market rules require at least one such Audit Committee member have.

The Company's Audit Committee has responsibility for, among other things:

selecting and reviewing the performance of the Company's independent auditors and approving, in advance, all engagements and fee arrangements;

reviewing the independence of the Company's independent auditors;

reviewing actions by management on recommendations of the independent auditors and internal auditors;

meeting with management, the internal auditors and the independent auditors to review the effectiveness of the Company's system of internal control and internal audit procedures;

reviewing the Company's earnings releases and reports filed with the SEC;

reviewing reports of bank regulatory agencies and monitoring management's compliance with recommendations contained in those reports; and

handling such other matters that are specifically delegated to the Audit Committee by the Company's board of directors from time to time.

The Company's Audit Committee has adopted a written charter, which sets forth the committee's duties and responsibilities. The charter of the Audit Committee is available on the Company's website at [www.ibtx.com](http://www.ibtx.com).

## **Report of the Audit Committee**

The Audit Committee oversees the Company's financial reporting process on behalf of the board of directors. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in this proxy statement with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with McGladrey LLP, the independent registered public accounting firm to the Company, who is responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, its judgment as to the quality, not just the acceptability, of the Company's



accounting principles, the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards. In addition, the Audit Committee has discussed with McGladrey LLP the auditors' independence from management and the Company, including the matters in the written disclosures and the letter from McGladrey LLP required by applicable professional and regulatory standards, including those of the Public Company Accounting Oversight Board, and considered the compatibility of nonaudit services with the auditors' independence.

The Audit Committee discussed with McGladrey LLP their audit of the Company's 2013 financial statements. The Audit Committee meets with McGladrey LLP, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Audit Committee held seven meetings during fiscal year 2013.

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The Audit Committee recommends to the Company's board of directors (and the board of directors approved) that the audited financial statements be included in the annual report to shareholders on Form 10-K for the prior fiscal year for filing with the SEC.

Respectfully submitted,

AUDIT COMMITTEE of the Board of Directors

Craig E. Holmes, Audit Committee Chairman

Jack M. Radke, Audit Committee Member

G. Stacy Smith, Audit Committee Member

## **Independent Auditors**

The Audit Committee has appointed McGladrey LLP as the Company's independent accountants to audit the consolidated financial statements of the Company for fiscal 2014. McGladrey LLP has been the Company's independent accountants since 2002. McGladrey LLP served as the Company's independent accountants for fiscal 2013 and reported on the Company's consolidated financial statements for that year.

Representatives of McGladrey LLP are expected to be in attendance at the annual meeting and will be afforded the opportunity to make a statement. The representatives will also be available to respond to appropriate questions.

## **Fees Paid to Independent Registered Public Accounting Firm**

The Audit Committee has reviewed the following audit and nonaudit fees that the Company has paid to McGladrey LLP for 2012 and 2013 for purposes of considering whether such fees are compatible with maintaining the auditor's independence. The policy of the Audit Committee is to pre-approve all audit and nonaudit services performed by McGladrey LLP before the services are performed, including all of the services described under **Audit Fees**, **Audit Related Fees**, **Tax Fees** and **All Other Fees** below. The Audit Committee has pre-approved 100% of the services provided by McGladrey LLP.

*Audit Fees.* Estimated fees billed for service rendered by McGladrey LLP for the reviews of the Company's quarterly reports filed on Form 10-Q (for such years where the Company filed such quarterly reports), the audit of the consolidated financial statements of the Company and services provided for other SEC filings were \$484,770 and \$484,129 for 2012 and 2013, respectively.

*Audit-Related Fees.* Aggregate fees billed for all audit-related services rendered by McGladrey LLP were \$17,325 and \$18,195 for 2012 and 2013, respectively. Audit-related services include the 401(k) audit for the Company.

*Tax Fees.* Aggregate fees billed for permissible tax services rendered by McGladrey LLP consisted of \$34,480 and \$58,550 for 2012 and 2013, respectively. These amounts include tax strategy services, preparation of federal and state income tax returns, and preparation of property tax and franchise tax returns.

*All Other Fees.* Aggregate fees billed for all other services rendered by McGladrey LLP consisted of \$0 and \$23,084 for 2012 and 2013, respectively. Other fees include the Fair Lending Review for the Company.

**Audit Committee Pre-Approval Policy**

The Audit Committee has established a policy and related procedures regarding the pre-approval of all audit, audit-related and non-audit services to be performed by the Company's independent auditors. The Audit Committee will approve the maximum aggregate amount of the costs that may be incurred under a general pre-approval of certain audit services. Any proposed audit services for which the cost to the Company would exceed these levels or amounts, or services that have not received general pre-approval, requires specific pre-approval by the Audit Committee.

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The term of any general pre-approval is twelve (12) months from the stated date of pre-approval, unless the Audit Committee considers a different period and specifically states otherwise. The Audit Committee annually reviews and pre-approves the services, and the associated cost levels or budgeted amounts, that may be provided by its independent auditor without obtaining specific pre-approval from the Audit Committee. The Audit Committee adds to or subtracts from the list of general pre-approved services from time to time, based on subsequent determinations.

In addition to the annual audit services engagement approved by the Audit Committee, the Audit Committee may grant general pre-approval for audit-related services and other audit services. Unless granted general pre-approval, all audit-related services and other audit services must be specifically pre-approved by the Audit Committee. All non-audit services must be specifically pre-approved by the Audit Committee. The Company's independent auditor may not be engaged to provide any service that is prohibited by applicable law to be provided to an audit client by an independent auditor.

The Audit Committee may delegate pre-approval authority to one or more of its members. All requests or applications for services to be provided by the independent auditor that do not require specific approval by the Audit Committee will be submitted to the Chief Financial Officer of the Company. The Chief Financial Officer will determine, upon consultation with the chairman of the Audit Committee, whether such services are included within the list of services that have received the general pre-approval of the Audit Committee.

## **Compensation Committee**

The members of the Company's Compensation Committee are William E. Fair (Chairman), Jack M. Radke and G. Stacy Smith and J. Webb Jennings III. The Company's board of directors has evaluated the independence of each of the members of the Compensation Committee and has affirmatively determined that each meets the definition of an independent director under NASDAQ Global Select Market rules.

The Board has determined that each of the members of the Compensation Committee qualifies as a nonemployee director within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, or the Exchange Act; and an outside director within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

None of the directors who served on the Compensation Committee at any time during fiscal 2013 were officers or employees of the Company or were former officers or employees of the Company. Further, none of the directors who served on the Compensation Committee at any time during fiscal 2013 has any relationship with the Company requiring disclosure under Certain Relationships and Related Person Transactions below, other than William E. Fair, as described below.

Independent Bank leases its Woodway Branch in Waco from Waco Fairbanks Realty, Ltd., of which William E. Fair, one of the Company's directors, is a limited partner. Independent Bank pays rent of \$26.43 per square foot for this 4,787 square foot facility, or \$126,497 annually. Additionally, in March 2011, Independent Bank sold a 2,000 square foot office building to Mr. Fair's IRA. Independent Bank had previously foreclosed on the building and was holding it as ORE. The purchase price was \$200,000. Independent Bank had marketed the property with two separate real estate agents that produced offers from unrelated parties for less than \$200,000. Mr. Fair's IRA also paid the closing costs. As part of the transaction, Independent Bank loaned Mr. Fair's IRA \$150,000 at a fixed interest rate of 5.50%. Principal and interest is payable monthly on the basis of fifteen years with a balloon payment due at maturity in May 2016. In December 2011, the loan was modified to lower the interest rate to 4.75% and to extend the maturity date to December 2016. The Company believes that these arrangements are at least as favorable to Independent Bank as could have been arranged with unrelated third parties and are in compliance with third party regulations for transactions with directors and their affiliates established by bank regulatory agencies.



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Finally, no executive officer of the Company serves, or in the past fiscal year has served, as a member of the compensation committee (or other board committee performing equivalent functions) of any entity that has one or more of its executive officers serving on the Company's Compensation Committee.

The Company's Compensation Committee has responsibility for, among other things:

reviewing, monitoring and approving the Company's overall compensation structure, policies and programs (including benefit plans) and assessing whether the compensation structure establishes appropriate incentives for the Company's executive officers and other employees and meets the Company's corporate objectives;

determining the annual compensation of the Company's named executive officers as noted in Executive Compensation and Other Matters ;

reviewing the compensation decisions made by the Company's named executive officers with respect to the Company's other executive officers;

overseeing the administration of the Company's equity plans and other incentive compensation plans and programs and preparing recommendations and periodic reports to the Company's board of directors relating to these matters;

preparing the Compensation Committee report required by SEC rules to be included in the Company's annual report; and

handling such other matters that are specifically delegated to the Compensation Committee by the Company's board of directors from time to time.

From time to time, the Compensation Committee may, by resolution of the Compensation Committee, delegate to one or more other committees of the board of directors of the Company separate but concurrent authority, to the extent specified in such resolution, to administer such plans with respect to employees of the Company and its subsidiaries and consultants who are not subject to the short-swing profit restrictions of Section 16(b) of the Exchange Act.

The Company's Compensation Committee has adopted a written charter, which sets forth the committee's duties and responsibilities. The charter of the Compensation Committee is available on the Company's website at [www.ibtx.com](http://www.ibtx.com).

## **Compensation Committee Interlocks and Insider Participation**

During 2013, no executive officer of the Company served as (1) a member of a compensation committee (or other Board committee performing equivalent functions or, in the absence of any such committee, the entire Board) of another entity, one of whose executive officers served on the Company's Compensation Committee, (2) a director of another entity, one of whose executive officers served on the Company's Compensation Committee or (3) a member of the compensation committee (or other Board committee performing equivalent functions or, in the absence of any such committee, the entire Board) of another entity, one of whose executive officers served as a director of the

Company. In addition, none of the members of the Compensation Committee (a) was an officer or employee of the Company or any of its subsidiaries in 2013, (b) was formerly an officer or employee of the Company or any of its subsidiaries or (c) had any relationship that required disclosure under Certain Relationships and Related Transactions, except as is disclosed under such section for William E. Fair.

### **Corporate Governance and Nominating Committee**

The members of the Company's Corporate Governance and Nominating Committee are Douglas A. Cifu (Chairman), M. Brian Aynesworth, Michael T. Viola and Donald L. Poarch. The Company's board of directors has evaluated the independence of each of the members of the Corporate Governance and Nominating Committee and has affirmatively determined that Messrs. Cifu, Viola and Poarch meet the definition of an independent director under NASDAQ Global Select Market rules, but that Mr. Aynesworth does not because

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he served as an executive officer of Independent Bank within the last three years. Even though Mr. Aynesworth resigned from his executive officer position with Independent Bank in April 2013, Mr. Aynesworth cannot be deemed to be independent under the rules of the NASDAQ Global Select Market for a period of three years from the date of his resignation.

The Company's Corporate Governance and Nominating Committee has responsibility for, among other things:

recommending persons to be selected by the Company's board of directors as nominees for election as directors and to fill any vacancies on the Company's board of directors; provided that if this Committee is not comprised solely of independent directors under the NASDAQ Global Select Market rules, the Committee shall make its recommendations to the independent members of the Company's board of directors, who, in turn, shall nominate persons to be selected by the Company's board of directors as nominees for election as directors and to fill any vacancies on the Company's board of directors;

monitoring the function of the Company's standing committees and recommending any changes, including the creation or elimination of any committee;

developing, reviewing and monitoring compliance with the Company's corporate governance guidelines;

reviewing and approving all related person transactions for potential conflicts of interest situations on an ongoing basis;

reviewing annually the composition of the Company's board of directors as a whole and making recommendations; and

handling such other matters that are specifically delegated to the Corporate Governance and Nominating Committee by the Company's board of directors from time to time.

The Company's Corporate Governance and Nominating Committee has adopted a written charter, which sets forth the committee's duties and responsibilities. The charter of the Corporate Governance and Nominating Committee is available on the Company's website at [www.ibtx.com](http://www.ibtx.com).

In carrying out its functions, the Corporate Governance and Nominating Committee has developed the following qualification criteria for all potential nominees for election, including incumbent directors, board nominees and shareholder nominees:

integrity and high ethical standards in the nominee's professional life;



sufficient educational and professional experience, business experience or comparable service on other boards of directors to qualify the nominee for service on the Company's board of directors;

evidence of leadership and sound judgment in the nominee's professional life;

whether the nominee is well recognized in the community and has a demonstrated record of service to the community;

a willingness to abide by any published code of conduct or ethics for the Company; and

a willingness and ability to devote sufficient time to carrying out the duties and responsibilities required as a member of the Company's board of directors.

The Corporate Governance and Nominating Committee evaluates potential nominees for the Company's board of directors to determine if they have any conflicts of interest that may interfere with their ability to serve as effective board members and determines whether they are independent in accordance with NASDAQ Global Select Market rules (to ensure that, at all times, at least a majority of the Company's directors are independent). Although the Company does not have a separate diversity policy, the committee considers the diversity of the Company's directors and nominees in terms of knowledge, experience, skills, expertise and other demographics that may contribute to the board of directors.

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Prior to nominating or, if applicable, recommending to the independent members of the Company's board of directors an existing director for re-election to the board of directors, the Corporate Governance and Nominating Committee will consider and review the following attributes with respect to each existing director:

attendance and performance at meetings of the Company's board of directors and the committees on which such director serves;

length of service on the Company's board of directors;

experience, skills and contributions that the existing director brings to the Company's board of directors;

independence and any conflicts of interest; and

any significant change in the director's status, including the attributes considered for initial membership on the Company's board of directors.

## **Director Nominations**

The Company's board of directors does not have a policy with respect to the consideration of any director candidates recommended by shareholders. All recommended candidates will be considered by the Corporate Governance and Nominating Committee of the board of directors for nomination.

A notice of a shareholder to make a nomination of a person for election as a director of the Company must be made in writing and received by the Corporate Secretary of the Company (i) in the event of an annual meeting of shareholders, not more than one hundred twenty (120) days and not less than ninety (90) days in advance of the anniversary date of the immediately preceding annual meeting; provided, however, that in the event that the annual meeting is called on a date that is not within thirty (30) days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the fifteenth (15) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs; or (ii) in the event of a special meeting of shareholders, such notice shall be received by the Corporate Secretary not later than the close of business on the fifteenth (15) day following the day on which notice of the meeting is first mailed to shareholders or public disclosure of the date of the special meeting was made, whichever first occurs.

Every such notice by a shareholder must set forth:

(i) the name and residence address of the shareholder of the Company who intends to make a nomination or bring up any other matter;

(ii) a representation that the shareholder is a holder of the Company's voting stock (indicating the class and number of shares owned) and intends to appear in person or by proxy at the meeting to make the nomination or bring up the matter specified in the notice;

(iii) with respect to notice of an intent to make a nomination for the election of a person as a director of the Company, a description of all arrangements or understandings among the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; and

(iv) with respect to an intent to make a nomination, such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had each nominee been nominated by the board of directors of the Company.

At the meeting of shareholders, the Chairman shall declare out of order and disregard any nomination or other matter not presented in accordance with these requirements.

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The shareholder must also submit the nominee's consent to be elected and to serve. The board of directors may require any nominee to furnish any other information that may be needed to determine the eligibility and qualifications of the nominee. Any recommendations in proper form received from shareholders will be evaluated in the same manner that potential nominees recommended by directors or management are evaluated.

### **Strategic Planning Committee**

The members of the Strategic Planning Committee are M. Brian Aynesworth (Chairman), David R. Brooks, Torry Berntsen and James D. Stein. The Company's board of directors has evaluated the independence of each of the members of the Strategic Planning Committee and has affirmatively determined that none of the committee members meet the definition of an independent director under NASDAQ Global Select Market rules because Messrs. Brooks, Berntsen and Stein are executive officers of the Company and Mr. Aynesworth served as an executive officer of Independent Bank within the last three years. Even though Mr. Aynesworth resigned from his executive officer position with Independent Bank in April 2013, Mr. Aynesworth cannot be deemed to be independent under the rules of the NASDAQ Global Select Market for a period of three years from the date of his resignation.

The Company's Strategic Planning Committee has responsibility for, among other things:

establishing plans for the growth of the Company, including organic growth plans and strategic acquisitions;

identifying new market areas;

identifying new management candidates to enhance product and geographic expansion;

identifying acquisition targets and developing plans to pursue acquisitions of such identified targets; and

reviewing capital and financing levels, financial partners, and ensuring continued access to capital and financing.

The Company's Strategic Planning Committee has adopted a written charter, which sets forth the committee's duties and responsibilities. The charter of the Strategic Planning Committee is available on the Company's website at [www.ibtx.com](http://www.ibtx.com).

### **Code of Conduct; Code of Ethics for Chief Executive Officer and Senior Financial Officers**

The Company has a Code of Conduct in place that applies to all of the Company's directors, officers and employees. The Code of Conduct sets forth the standard of conduct that the Company expects all of the Company's directors, officers and employees to follow, including the Company's Chief Executive Officer and Chief Financial Officer. In addition, the Company has a Code of Ethics for the Chief Executive Officer and Senior Financial Officers that applies to each of the Company's senior executive officers, including the Company's Chief Executive Officer and Chief Financial Officer, and sets forth specific standards of conduct and ethics that the Company expects from such individuals in addition to those set forth in the Code of Conduct. The Company's Code of Conduct and the Company's Code of Ethics for the Chief Executive Officer and Senior Financial Officers is available on the Company's website at

www.ibtx.com. The Company expects that any amendments to the Code of Conduct or the Code of Ethics for the Chief Executive Officer and Senior Financial Officers, or any waivers of their respective requirements, will be disclosed on the Company's website, as well as any other means required by NASDAQ Global Select Market rules or the SEC.

### **Corporate Governance Guidelines**

The Company has adopted Corporate Governance Guidelines to assist the Company's board of directors in the exercise of its fiduciary duties and responsibilities and to promote the effective functioning of the board of directors and its committees. The Company's Corporate Governance Guidelines are available on the Company's website at www.ibtx.com.

**Table of Contents****EXECUTIVE COMPENSATION AND OTHER MATTERS**

The individuals who served as the Company's Chief Executive Officer and Chief Financial Officer during 2013, as well as the Company's three other most highly compensated executive officers for 2013, are collectively referred to as the Company's named executive officers. Their compensation for 2013, 2012 and 2011 is discussed below.

**Summary Compensation Table**

The following table sets forth information regarding the compensation paid to each of the Company's named executive officers for 2013, 2012 and 2011.

<b>Name and Position</b>	<b>Year</b>	<b>Salary<sup>(1)</sup></b>	<b>Bonus<sup>(2)</sup></b>	<b>Stock Awards<sup>(3)</sup></b>	<b>All Other Compensation<sup>(4)</sup></b>	<b>Total</b>
David R. Brooks, Chairman and Chief Executive Officer	2013	\$ 750,000	\$ 300,000	\$ 725,760	\$ 56,215	\$ 1,831,975
	2012	750,000	600,000		103,781	1,453,781
	2011	750,000	468,475		45,745	1,264,220
Michelle S. Hickox, Executive Vice President and Chief Financial Officer <sup>(5)</sup>	2013	226,350	75,000	226,800	13,074	541,224
	2012	120,000	50,000	65,000	7,743	242,743
Torry Berntsen, President and Chief Operating Officer <sup>(6)</sup>	2013	367,917	338,000	453,600	22,032	1,181,549
	2012	175,000	75,000	32,496	13,260	295,756
	2011	150,000	25,000	27,504	11,150	213,654
Daniel W. Brooks, Vice Chairman and Chief Risk Officer <sup>(7)</sup>	2013	335,417	140,000	362,880	43,527	881,824
	2012	310,000	140,000	65,000	101,552	616,552
Brian E. Hobart, Vice Chairman and Chief Lending Officer <sup>(8)</sup>	2013	310,417	130,000	317,520	70,596	828,533
	2012	285,000	130,000	65,000	53,882	533,882
	2011	275,000	100,000		55,961	430,961

(1) The amounts shown in this column represent salaries earned during the fiscal year shown.

(2) The amounts of bonuses for each year shown were cash bonuses earned for that year, but that were paid in the following fiscal year.

(3) The market values for the outstanding stock awards presented as of December 31, 2013, are based on the market value of the Company's common stock on the date of grant, which was \$28.35 on April 8, 2013.

(4) Includes 401(k) contributions, health and welfare benefits, restricted stock related payments, insurance premiums and certain perquisites and other benefits. Other than certain restricted stock related payments, none of these components of All Other Compensation exceeded \$25,000 in any one year.

(5)

Ms. Hickox joined Independent as Executive Vice President and Chief Financial Officer in May 2012 and the salary shown is for the partial-year's service.

(6) Mr. Berntsen's title changed to President and Chief Operating Officer in April 2013.

(7) Mr. Brooks' title changed to Vice Chairman and Chief Risk Officer in April 2013.

(8) Mr. Hobart's title changed to Vice Chairman and Chief Lending Officer in April 2013. At that time, Mr. Hobart was also named as President-Independent Bank Central Texas and, in that capacity, he is directly responsible for Independent Bank's operations in Independent's Austin/Central Texas market area.

#### **Narrative Discussion of Summary Compensation Table**

*General.* The Company has compensated the Company's named executive officers through a mix of base salary, cash incentive bonuses and other benefits, included to a limited extent, perquisites. The Company established its existing executive compensation philosophy and practices to fit the Company's historical status as a privately held corporation. The Company believes the current mix of these compensation elements and the amounts of each element provide the Company's named executive officers with compensation that is reasonable,

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competitive within the Company's markets, appropriately reflects the Company's performance and their particular contributions to that performance, and takes into account applicable regulatory guidelines and requirements. Each of the Company's named executive officers is also an officer of Independent Bank and has substantial responsibilities in connection with the day-to-day operations of Independent Bank. As a result, each named executive officer devotes a substantial majority of his or her business time to the operations of Independent Bank, and the compensation he or she receives is paid largely to compensate that named executive officer for his or her services to Independent Bank.

The Company currently does not have employment agreements with any of the Company's named executive officers, who are employees at will. As a result, the salaries and bonuses that the Company pays to its named executive officers are determined at the discretion of the Company's board of directors after consultation with management. In addition, the Company has not previously maintained any change in control, severance or noncompetition agreements with any of its named executive officers and has not had obligations to make any payment under any such agreement to any of its named executive officers in the event the Company experiences any change in the control of the Company or upon their severance from, or other termination of, their employment with the Company.

The Company does not maintain any defined benefit plan, actuarial benefit plan, supplemental executive retirement plan or deferred compensation plan for the Company's named executive officers or any other employees. Moreover, the Company has no plan, agreement or other arrangement with any of the Company's named executive officers relating to the payments of any amounts upon the retirement of such named executive officer from employment with the Company or any other separation from service with the Company.

**Base Salary.** The base salaries of the Company's named executive officers have been historically reviewed and set annually by the Company's board of directors as part of the Company's performance review process as well as upon the promotion of an executive officer to a new position or another change in job responsibility. In establishing base salaries for the Company's named executive officers, the Company's board of directors has relied on external market data obtained from outside sources, including the Independent Bankers Association of Texas and other banking industry trade groups. In addition to considering the information obtained from such sources, the board of directors has considered:

each named executive officer's scope of responsibility;

each named executive officer's years of experience;

the types and amount of the elements of compensation to be paid to each named executive officer;

the Company's financial performance and performance with respect to other aspects of the Company's operations, such as the Company's growth, asset quality, profitability and other matters, including the status of the Company's relationship with the banking regulatory agencies; and

each named executive officer's individual performance and contributions to the Company's performance, including leadership, team work and community service.



**Cash Bonuses.** The Company typically has paid a cash bonus to its named executive officers. Annual incentive awards are intended to recognize and reward those named executive officers who contribute meaningfully to the Company's performance for the year. The Company's board of directors has, within its sole discretion, determined whether such bonuses will be paid for any year and the amount of any bonus paid. The board of directors has not relied on any pre-established formula or specific performance measures to determine the amount of the bonuses paid, but the board of directors does review external market data from outside sources in setting the amount of bonuses. In determining whether to pay cash bonuses to any named executive officer for any year and the amount of any cash bonus to be paid, the board of directors has considered such factors, as:

the personal performance of the executive officer and contributions to the Company's performance for the year, including leadership, team work and community service; and

the Company's financial performance, including its growth, asset quality and profitability.

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***Benefits and Perquisites.*** The Company's named executive officers are eligible to participate in the same benefit plans designed for all of the Company's full-time employees, including health, dental, vision, disability and basic group life insurance coverage. The Company also provides its employees, including its named executive officers, with a 401(k) plan to assist its employees, including its named executive officers, in planning for retirement and securing appropriate levels of income during retirement. The purpose of the Company's employee benefit plans is to help the Company attract and retain quality employees, including executives, by offering benefit plans similar to those typically offered by the Company's competitors. Except as described below, none of the perquisites or benefits paid or provided to any of the Company's named executive officers exceeded \$25,000 in amount for 2013, 2012 or 2011.

***Independent Bank Group 401(k) Profit Sharing Plan.*** The Independent Bank Group 401(k) Profit Sharing Plan, or the 401(k) Plan, is designed to provide retirement benefits to all eligible full-time and part-time employees. The 401(k) Plan provides employees the opportunity to save for retirement on a tax-favored basis. The Company's named executive officers, all of whom were eligible to participate in the 401(k) Plan during 2013, 2012 and 2011, may elect to participate in the 401(k) Plan on the same basis as all other employees. Employees may defer from 1% to 100% of their compensation to the 401(k) Plan up to the applicable IRS limit. The Company matches from 50% to 100% of an employee's annual contribution to the 401(k) Plan, depending on the employee's years of service with the Company, up to a total of 6% per annum of the employee's eligible salary. The Company makes its matching contributions in cash, and that contribution is invested according to the employee's current investment allocation. The Company made contributions to its named executive officers' accounts in the 401(k) plan in 2013, 2012 and 2011 in varying amounts depending on the amounts of the contributions made by the named executive officers to their respective 401(k) Plan accounts.

***Health and Welfare Benefits.*** The Company's named executive officers are eligible to participate in the Company's standard health and welfare benefits program, which offers medical, dental, vision, life, accident and disability coverage to all of its eligible employees. The Company does not provide the named executive officers with any health and welfare benefits that are not generally available to its other employees.

***Restricted Stock-related Payments.*** The Company has agreed to pay to the holders of restricted stock granted by the Company an amount equal to 25% of the then fair market value of any shares vesting within thirty days after those shares vest. The Company pays that amount to provide the holder of vested shares a source of funds to pay the federal income taxes due with respect to compensation income received upon the vesting of the shares. No such payments were made in 2011. In 2012, the Company's named executive officers who received such payments in excess of \$25,000 and the aggregate amount of such payments were David R. Brooks, \$61,000, and Daniel W. Brooks, \$45,750. In 2013, the Company's only named executive officer who received such payments in excess of \$25,000 and the aggregate amount of such payments was Brian Hobart, in the amount of \$28,271.

***Insurance Premiums.*** Independent Bank maintains bank-owned life insurance policies with respect to each of the Company's named executive officers. Although Independent Bank is the named beneficiary of each of those policies, the Company has agreed with each of those named executive officers that if the officer dies while employed by Independent Bank, the Company will pay such named executive officer's estate an amount equal to the amount of that officer's salary for the year in which his or her death occurs out of the benefits Independent Bank receives under such policy.

***Perquisites.*** The Company has previously provided certain of its named executive officers with a limited number of perquisites that the Company believed had been reasonable and consistent with the Company's overall compensation program to better enable the Company to attract and retain superior employees for key positions. The Company's board of directors had periodically reviewed the levels of perquisites and other personal benefits provided to named executive officers. Based on this periodic review, perquisites were awarded or adjusted on an individual basis. The

perquisites received by the Company's named executive officers in 2013, 2012 and 2011 included automobile allowances and country club memberships. The Company discontinued awarding such perquisites to its named executive officers in July 2013.

**Table of Contents****Outstanding Equity Awards at Fiscal Year End**

The following table provides information regarding outstanding unvested stock awards held by the named executive officers as of December 31, 2013. The then outstanding stock awards were shares of restricted stock subject to forfeiture provisions that expire on the fifth anniversary of the date of grant so long as the holder of the shares remains employed by the Company or Independent Bank on that date.

Name	Stock Awards as of December 31, 2013	
	Number of Shares of Stock that have not Vested <sup>(1)</sup>	Market Value of Shares of Stock that have not Vested <sup>(2)</sup>
David R. Brooks	64,000	\$ 3,178,240
Michelle S. Hickox	11,200	556,192
Daniel W. Brooks	35,200	1,748,032
Brian E. Hobart	30,400	1,509,664
Torry Berntsen	24,000	1,191,840

(1) The following table shows the dates on which the shares of restricted stock shown in the table above vest, i.e., the date on which the forfeiture provisions expire as to the shares of restricted stock held by each of Independent Bank named executive officers:

Name	Vesting Dates	Number of Shares to Vest
David R. Brooks	January 1, 2014	38,400
	April 8, 2014	5,120
	April 8, 2015	5,120
	April 8, 2016	5,120
	April 8, 2017	5,120
	April 8, 2018	5,120
Michelle S. Hickox	April 8, 2014	1,600
	April 8, 2015	1,600
	April 8, 2016	1,600
	April 8, 2017	1,600
	May 1, 2017	3,200
	April 8, 2018	1,600
Daniel W. Brooks	January 1, 2014	19,200
	April 8, 2014	2,560
	April 8, 2015	2,560
	April 8, 2016	2,560
	January 1, 2017	3,200
	April 8, 2017	2,560

	April 8, 2018	2,560
Brian E. Hobart	January 1, 2014	16,000
	April 8, 2014	2,240
	April 8, 2015	2,240
	April 8, 2016	2,240
	January 1, 2017	3,200
	April 8, 2017	2,240
	April 8, 2018	2,240
Torry Berntsen	November 1, 2014	6,400
	April 8, 2014	3,200
	April 8, 2015	3,200
	February 15, 2016	1,600
	April 8, 2016	3,200
	April 8, 2017	3,200
	April 8, 2018	3,200

(2) The market values for the outstanding stock awards presented as of December 31, 2013, are based on a fair market value of Independent's common stock of \$49.44 per share as of December 31, 2013, which was the closing sale price of Independent common stock on the NASDAQ Global Market on such date.

**Table of Contents****Director Compensation**

The following table sets forth information regarding 2013 compensation for those of the Company's directors during 2013 who are currently directors and who were not named executive officers of the Company for 2013:

<b>Name</b>	<b>Fees Earned or Paid in Cash</b>	<b>Stock Awards<sup>(1)</sup></b>	<b>All Other Compensation<sup>(2)</sup></b>	<b>Total</b>
M. Brian Aynsworth	\$ 43,000	\$ 27,216	\$ 2,400	\$ 72,616
Douglas A. Cifu	36,000	27,216	750	63,966
William E. Fair	36,000	27,216	3,000	66,216
Craig E. Holmes	40,500	27,216		67,716
Jack M. Radke	31,000	27,216	2,250	60,466
G. Stacy Smith	30,500	27,216		57,716
Michael T. Viola	30,500	27,216		57,716

(1) As of December 31, 2013, each director had an aggregate of 960 stock awards outstanding.

(2) The amounts shown are the fees paid to those directors in their capacities as directors of Independent Bank. The Company modified its director compensation program in April 2013 and under that modified program the Company's nonmanagement directors receive an annual cash retainer of \$30,000 and an annual award of shares of restricted stock under the equity incentive plan adopted in April 2013, or the 2013 Equity Incentive Plan, with a market value of \$10,000 for their service as a director, with a \$500 additional fee per month paid prior to the Company's initial public offering. In addition, the chairman of the Audit Committee of the Company's board of directors receives an additional annual cash retainer of \$10,000 and the chairmen of the Company's Compensation Committee, Corporate Governance and Nominating Committee and Strategic Planning Committee receive an additional annual cash retainer of \$5,000 for their service in those roles. The Company's directors are reimbursed for the reasonable out-of-pocket expenses they incur in connection with their service as directors, including travel costs to attend the meetings of the board of directors and committees. The Company's directors who were also the Company's named executive officers do not receive fees or other compensation for their service as directors of the Company. Brian Aynsworth receives \$1,000 per meeting for serving on Independent Bank's Loan Committee.

**Chief Executive Officer Compensation**

The compensation that the Company paid David R. Brooks, the Company's Chairman and Chief Executive Officer, during 2013 was reviewed and determined by the Compensation Committee, and compensation paid in 2012 and in the years prior thereto was determined by the Company's board of directors. In each case, the compensation paid reflects the Compensation Committee's and the board of directors' view of Mr. Brooks' continuing contribution to the success of the Company's operations. That compensation, including Mr. Brooks' salary for 2013, which did not change from his salary in 2012, and his cash bonus and equity awards for 2013, are intended to compensate Mr. Brooks for his successful leadership of the Company and Independent Bank and management of their operations, as reflected by the Company's growth in assets, deposits and net income, the expansion of the Company's markets, the successful completion of two acquisitions in 2013, the successful completion of the Company's initial public offering and the maintenance of the Company's strong asset quality and credit culture.

**Noncompetition Agreements**

In connection with the issuance of the shares of restricted stock the Company issued to the Company's executive officers and certain senior officers of Independent Bank pursuant to the 2013 Equity Incentive Plan, the Company requires each recipient of an award enter into an award agreement that includes noncompetition and nonsolicitation covenants. Each such agreement provides that the award recipient will not compete with the

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Company for a specified period following the termination of his or her employment with the Company or Independent Bank. Competition for such purposes is defined to include such person acting as an officer, director, manager or employee of, or a consultant to, any bank holding company, bank or other financial institution conducting banking operations in the Company's market areas in the State of Texas. The periods for which such competition is prohibited is two years for David R. Brooks, one year for each of Torry Berntsen, Daniel W. Brooks, Michelle S. Hickox, Brian E. Hobart, James D. Stein and Jan C. Webb and three months for those award recipients who are senior officers of Independent Bank. The various award recipients also agree not to solicit other employees or customers of the Company or Independent Bank for a one-year period following the termination of their employment with the Company or Independent Bank. In addition, Independent Bank has entered into an employment agreement with James D. Stein, which includes non-competition covenants. See "Certain Relationships and Related Party Transactions - Other Transactions - Employment Agreement" below.

## **Additional Information Regarding Executive Compensation**

*No Change in Control or Severance Payment Obligations.* Other than with respect to certain grants under the Company's equity incentive plans that have accelerated vesting upon a change of control or the death, disability or termination of the grantee, the Company does not have any agreement with, or obligations to, any of the Company's named executive officers or other executive officers of the Company to make any payments, accelerate any equity awards or provide any other consideration to any such officer in connection with any change in control of the Company or Independent Bank or such an officer's severance from employment with the Company or Independent Bank.

*Compensation Committee of the Company's Board of Directors.* Historically, Independent Bank's board of directors has maintained a Compensation Committee that has overseen the compensation for Independent Bank's senior officers. In February 2013, the Company's board of directors established a Compensation Committee comprised solely of directors who are independent under SEC rules and the rules for the NASDAQ Global Select Market, including NASDAQ Global Select Market's currently proposed rules relating to the independence of the members of Compensation Committees. See "Board and Committee Matters - Compensation Committee" for a description of the Compensation Committee's responsibilities.

The Company's board of directors has directed the Compensation Committee to review the Company's executive officer compensation program and determine if:

the Company's executive officer compensation is appropriately linked to the Company's short-term and long-term financial and other performance;

the interests of the Company's executive officers are appropriately aligned with the interests of the Company's shareholders or can be more appropriately aligned through greater equity ownership by the Company's executive officers and by having a greater proportion of executive officer compensation tied to the Company's financial and other performance; and

the base salaries and incentive compensation opportunities provided to the Company's executive officers are competitive with those packages offered by other similarly situated and similarly performing financial institutions.



The Company's board of directors has also instructed the Compensation Committee to address such other matters relating to the Company's executive compensation program as they deem appropriate.

In accordance with its charter, the Compensation Committee has the responsibility and authority of establishing the philosophy that will underlie the Company's executive compensation program, for establishing and implementing that program and for reviewing and setting the compensation of each of the Company's named executive officers and other executive officers. The Company's board of directors has directed the Compensation Committee, in accordance with its charter, to ensure that the Company's executive compensation program is

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designed and executed in a manner necessary to reflect the Company's executive compensation philosophy, to achieve the Company's goals and objectives and is consistent with regulatory requirements.

**Compensation Policies and Practices and the Company's Risk Management**

The Company does not believe that any risks arise from the Company's compensation policies and practices for the Company's executive officers and other employees that are reasonably likely to have a material adverse effect on the Company's operations, results of operations or financial condition.

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**CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

**Related Person Transaction Review Policy**

The Company has adopted a formal written policy concerning related party transactions. A related party transaction is a transaction, arrangement or relationship or a series of similar transactions, arrangements or relationships in which the amount involved exceeds \$120,000, in which the Company or one of the Company's consolidated subsidiaries participates (whether or not the Company or the subsidiary is a direct party to the transaction), and in which a director, nominee to become a director, executive officer or employee of the Company or one of the Company's consolidated subsidiaries or any of his or her immediate family members or any entity that any of them controls or in which any of them has a substantial beneficial ownership interest has a direct or indirect material interest; or in which any person who is the beneficial owner of more than 5% of the Company's voting securities or a member of the immediate family of such person has a direct or indirect material interest. A copy of the Company's policy may be found on the Company's website at [www.ibtx.com](http://www.ibtx.com).

The Company's policy requires the Company's Corporate Governance and Nominating Committee to ensure that the Company maintains an ongoing review process for all related party transactions for potential conflicts of interest and requires that the Corporate Governance and Nominating Committee pre-approve any such transactions or, if for any reason pre-approval is not obtained, to review, ratify and approve or cause the termination of such transactions. The Company's Corporate Governance and Nominating Committee evaluates each related party transaction for the purpose of recommending to the disinterested members of the Company's board of directors whether the transaction is fair, reasonable and permitted to occur under the Company's policy, and should be pre-approved or ratified and approved by the Company's board of directors. Relevant factors considered relating to any approval or ratification include the benefits of the transaction to the Company, the terms of the transaction and whether the transaction will be or was on an arm's-length basis and in the ordinary course of the Company's business, the direct or indirect nature of the related party's interest in the transaction, the size and expected term of the transaction and other facts and circumstances that bear on the materiality of the related party transaction under applicable law and listing standards. At least quarterly, management will provide the Company's Corporate Governance and Nominating Committee with information pertaining to related party transactions. Related party transactions entered into, but not approved or ratified as required by the Company's policy concerning related party transactions, will be subject to termination by us or the relevant subsidiary, if so directed by the Company's Corporate Governance and Nominating Committee or the Company's board of directors, taking into account factors as deemed appropriate and relevant. Lending and other banking transactions in the ordinary course of business and consistent with the insider loan provisions of Regulation O of the Board of Governors of the Federal Reserve System are not treated as related party transactions under this policy and, instead, these transactions are monitored and approved, if necessary, by Independent Bank's board. In addition, any transaction in which the rates or charges are determined by competitive bids are not subject to approval under the policy.

The Company's directors, officers, beneficial owners of more than 5% of the Company's voting securities and their respective associates were customers of and had transactions with the Company in the past, and additional transactions with these persons are expected to take place in the future. All outstanding loans and commitments to loan with these persons were made in the ordinary course of business, were made on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with persons not related to the Company or Independent Bank and did not involve more than the normal risk of collectability or present other unfavorable features. All such loans are approved by Independent Bank's board of directors in accordance with the bank regulatory requirements. Similarly, all certificates of deposit and depository relationships with these persons were made in the ordinary course of business and involved substantially the same terms, including interest rates, as those prevailing at the time for comparable depository relationships with persons not related to the Company or Independent Bank.



**Table of Contents****Related Person Transactions**

The following is a description of transactions during and after December 2008 in which the Company has participated and in which one or more of the Company's directors, executive officers or beneficial holders of more than 5% of the Company's capital stock, or their immediate family members or entities affiliated with them, had or will have a direct or indirect material interest.

**Issuance of Warrants**

The Company restructured its credit facility with TIB The Independent Bankers Bank, or TIB, in December 2008. At that time, the Company reallocated its credit facility between senior secured debt and subordinated debt. To complete this restructure, certain shareholders of the Company agreed to purchase \$4.5 million in subordinated debt held by TIB in certain circumstances. The Company issued warrants to purchase shares of the Company's common stock to these shareholders to compensate them for undertaking this credit enhancement risk.

The Company issued the warrants in December 2008 to purchase a total of 150,544 shares, all of which are currently outstanding and currently exercisable. The exercise price is \$17.19 per share. The warrants must be exercised by December 23, 2018, and are not assignable. When, if and to the extent the warrants are exercised, the Company will receive additional capital and the number of outstanding shares of the Company's common stock will increase. The following table lists as of December 31, 2013, the warrants issued to certain of the Company's directors, executive officers and beneficial holders of 5% of the Company's voting securities and their respective affiliates:

<b>Shareholder/Directors/Executive Officers</b>	<b>Warrants</b>
Vincent J. Viola	93,091
David R. Brooks	23,270

**Issuance of Subordinated Debentures**

Since January 2009, the Company has conducted four separate private placements of the Company's 7% fixed rate subordinated debentures to raise capital to support the Company's growth and expansion efforts. The material terms of each series of debentures are the same and are as follows:

Interest accruing at the rate of 7% per annum, payable quarterly;

Principal payments due on the third anniversary of issuance of debentures of the series and then semi-annually over the remaining four years until maturity;

Prepayable at the Company's option and without any prepayment penalty or premium after the third anniversary of issuance of debentures of the series;

Maturing on the last day of the seventh year of the term of the series of debenture;

Subordinated in right of payment to all existing and future senior debt; and

Unsecured with no sinking fund requirement.

The following table lists the aggregate principal amount of debentures purchased by certain of the Company's directors, executive officers, and beneficial holders of more than 5% of the Company's voting securities, and their respective affiliates and the amount of principal and interest paid from January 1, 2011, through December 31, 2013.

<b>Name</b>	<b>Aggregate Principal Amount Purchased</b>	<b>Interest Paid</b>	<b>Principal Paid</b>
M. Brian Aynesworth	\$ 350,000 <sup>(1)</sup>	\$ 47,250	\$ 100,000
Torry Berntsen	185,000 <sup>(2)</sup>	22,375	100,000

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(1) Includes \$100,000 held by Mr. Aynesworth's SEP account.

(2) Includes \$155,000 owned jointly with Mr. Berntsen's spouse and \$30,000 owned jointly with Mr. Berntsen's mother.

**Other Transactions**

**IBG Adriatica.** In December 2011, the Company's nonbank subsidiary, IBG Adriatica sold for an aggregate purchase price of \$1.5 million approximately 16,000 square feet of undeveloped real property, an associated interest in the common areas and an option to acquire an additional 32,000 square feet of real property in the Adriatica Development to Himalayan Ventures, L.P. In 2012, IBG Adriatica sold to Himalayan Ventures approximately five acres of undeveloped land in the Adriatica development and an associated interest in the common areas for an aggregate purchase price of approximately \$3.5 million. IBG Adriatica used the net proceeds of these transactions to reduce the principal balance of the Adriatica property acquisition indebtedness. In December 2013, IBG Adriatica sold all of its remaining real estate to Himalayan Ventures. This real estate consisted of a retail center, 32 residential lots, a planned medical office site, undeveloped land, and a parking garage and associated parking spaces. The purchase price was approximately \$11.1 million. IBG Adriatica distributed the net proceeds of the sale to the Company.

**Himalayan Ventures.** Himalayan Ventures is an investment partnership comprised of principals of the Company, including Vincent Viola, David R. Brooks, Torry Berntsen, Douglas A. Cifu and Daniel W. Brooks. The purchase prices paid was based upon the appraised value of the property sold in each transaction. An independent committee of the Company's board of directors approved the terms of sale prior to IBG Adriatica completing these transactions. The Company believes that the foregoing transactions with Himalayan Ventures are consistent with terms that are at least as favorable to the Company as could have been arranged with unrelated third parties and are in compliance with applicable regulations established by bank regulatory agencies regarding related party transactions.

**IBG Aircraft.** IBG Aircraft Acquisition, Inc., a subsidiary of Independent Bank, or IBG Aircraft, owns an airplane and leases the aircraft to Independent Bank. Independent Bank primarily uses the aircraft to facilitate the travel of Independent Bank employees to and from Independent Bank's thirty locations across North Texas and Central Texas. Until December 31, 2013, Independent Bank had an arrangement with Noel-Levitz LLC regarding the use of the airplane. Noel-Levitz is a higher education consulting firm headquartered in Colorado that, until December 31, 2012, was controlled by Vincent Viola and David R. Brooks, the Company's largest shareholder and the Company's Chairman of the Board and Chief Executive Officer, respectively. David R. Brooks continues to serve on the board of managers of Noel-Levitz. As part of the arrangement between Independent Bank and Noel-Levitz, David R. Brooks used the airplane for corporate travel related to the business of Noel-Levitz. Noel-Levitz reimbursed Independent Bank for the costs of operation of the airplane (computed on an hourly basis and including fuel, maintenance reserves and other operating costs) as established by Independent Bank's aviation committee, a committee of Independent Bank's board of directors comprised of David R. Brooks, Torry Berntsen, William E. Fair and David Wood. The Company believes the terms of this arrangement were at least as favorable to Independent Bank as could have been arranged with an unrelated third party and were in compliance with third party regulations established by bank regulatory agencies.

**Branch Lease.** Independent Bank leases its Woodway Branch in Waco from Waco Fairbank Realty, Ltd., of which William E. Fair, one of the Company's directors, is a limited partner. Independent Bank pays rent of \$26.43 per square foot for this 4,787 square foot facility, or \$126,497 annually. Additionally, in March 2011, Independent Bank sold a 2,000 square foot office building to Mr. Fair's IRA. Independent Bank had previously foreclosed on the building and was holding it as ORE. The purchase price was \$200,000. Independent Bank had marketed the property with two separate real estate agents that produced offers from unrelated parties for less than \$200,000. Mr. Fair's IRA also paid

the closing costs. As part of the transaction, Independent Bank loaned Mr. Fair's IRA \$150,000 at a fixed interest rate of 5.50%. Principal and interest is payable monthly on the basis of fifteen years with a balloon payment due at maturity in May 2016. In December 2011, the loan was modified



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to lower the interest rate to 4.75% and to extend the maturity date to December 2016. The Company believes that these arrangements are at least as favorable to Independent Bank as could have been arranged with unrelated third parties and are in compliance with third party regulations for transactions with directors and their affiliates established by bank regulatory agencies.

***Tax Indemnification Agreements.*** The Company is party to certain tax indemnification agreements with each of the Company's shareholders existing at the time of the Company's initial public offering. Pursuant to these agreements, the Company has agreed that upon filing any tax return (amended or otherwise), or in the event of any restatement of the Company's taxable income, in each case for any period during which the Company was an S corporation (pre-April 2013), the Company will make a payment to each shareholder on a pro rata basis in an amount sufficient so that the shareholder with the highest incremental estimated tax liability (calculated as if the shareholder would be taxable on its allocable share of the Company's taxable income at the highest applicable federal, state and local tax rates and taking into account all amounts the Company previously distributed in respect of taxes for the relevant period) receives a payment equal to its incremental tax liability. The Company also agrees to indemnify the shareholders for any interest, penalties, losses, costs or expenses (including reasonable attorneys' fees) arising out of any claim under the agreements.

***Employment Agreement.*** On November 21, 2013, the Company entered into an employment agreement with James D. Stein, a director and executive officer, that became effective upon the completion of the BOH Holdings merger. Under the employment agreement, Mr. Stein serves as the Company's Vice Chairman and Houston Region CEO. The employment agreement has a three year initial term that would be automatically extended for additional one year terms unless either Mr. Stein or the Company provides the other with a written non-renewal notice within the period that is between 90 days and 180 days prior to the expiration of the then current term. Mr. Stein is paid an annual base salary of \$400,000 and is eligible to receive an annual incentive bonus upon the attainment of certain annual pre-established performance goals with a target amount of such incentive bonus to be approximately 65% of Mr. Stein's base salary. The amount of incentive bonus, if any, would be paid out to Mr. Stein 65% in cash and 35% in restricted shares of the Company's common stock pursuant to the Company's 2013 Equity Incentive Plan. Mr. Stein's employment agreement includes certain agreements regarding confidentiality, noncompetition and nonsolicitation of employees and customers.

At the effective time of the BOH Holdings merger, the Company issued to Mr. Stein 60,000 restricted shares of the Company's common stock pursuant to the Company's 2013 Equity Incentive plan. Additionally, within 90 days after the effective time, the Company is required to pay to Mr. Stein a one-time cash bonus in the amount of \$2 million as a completion bonus. The completion bonus is subject to repayment by Mr. Stein if he should voluntarily resign from his position or if the Company terminates Mr. Stein for cause at any time prior to the second anniversary of the completion of the BOH Holdings merger. In the event that all or any portion of the restricted stock award or the completion bonus would constitute parachute payments as defined in Section 280G(b)(3) of the Code with respect to the change in ownership or effective control of BOH Holdings as mutually determined by Mr. Stein and the Company and the aggregate present value of such parachute payments and all other parachute payments received by Mr. Stein in connection with the BOH Holdings merger is equal to or more than three times Mr. Stein's base amount under Section 280G(b)(3) as mutually determined by Mr. Stein and the Company, then the completion bonus and the restricted stock award would be reduced to an amount that, when combined with all other parachute payments received by Mr. Stein in connection with the BOH Holdings merger (including any such parachute payments from BOH Holdings) is equal to 2.99 times Mr. Stein's base amount. In this case, the reduction would first apply to the completion bonus until the portion of the completion bonus that constitutes a parachute payment is reduced to zero, after which any such reduction would apply to the restricted stock award.



**Table of Contents****BENEFICIAL OWNERSHIP OF THE COMPANY'S COMMON STOCK BY MANAGEMENT AND PRINCIPAL SHAREHOLDERS OF THE COMPANY**

The following table sets forth certain information regarding the beneficial ownership of the Company's common stock as of April 3, 2014, by (1) directors and named executive officers of the Company, (2) each person who is known by the Company to own beneficially 5% or more of the Company's common stock and (3) all directors and named executive officers as a group. Unless otherwise indicated, based on information furnished by such shareholders, management of the Company believes that each person has sole voting and dispositive power over the shares indicated as owned by such person.

Name of Beneficial Owner <sup>(1)</sup>	Number of Shares Beneficially Owned <sup>(2)</sup>	Percentage Beneficially Owned <sup>(3)</sup>
<b>Directors and Executive Officers:</b>		
David R. Brooks	1,081,474 <sup>(4)</sup>	8.6%
Torry Berntsen	63,329	*
Daniel W. Brooks	222,543 <sup>(5)</sup>	1.8
Brian E. Hobart	218,078 <sup>(6)</sup>	1.7
Michelle S. Hickox	11,980	*
M. Brian Aynesworth	397,723 <sup>(7)</sup>	3.2
Douglas A. Cifu	143,467 <sup>(8)</sup>	1.1
William E. Fair	206,939 <sup>(9)</sup>	1.6
Craig E. Holmes	4,460	*
J. Webb Jennings III	<sup>(10)</sup>	
Donald L. Poarch	<sup>(11)</sup>	
Jack M. Radke	127,906 <sup>(12)</sup>	1.0
G. Stacy Smith	135,740 <sup>(13)</sup>	1.1
James D. Stein	<sup>(14)</sup>	
Michael T. Viola	20,191	*
All Directors and Executive Officers as a Group (15 persons)	2,633,830 <sup>(15)</sup>	20.8%
<b>Principal Shareholders:</b>		
<b>5% Security Holders:</b>		
Vincent J. Viola	4,727,203 <sup>(16)</sup>	37.3%
Goldman Sachs Asset Management	674,202 <sup>(17)</sup>	5.3

\* Indicates ownership that does not exceed 1%.

- (1) The addresses of the persons or entities shown in the foregoing table who are beneficial owners of more than 5% of the common stock are as follows: David R. Brooks and Vincent J. Viola, 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069, and Goldman Sachs Asset Management, 200 West Street, New York, New York 10282.
- (2) Beneficial ownership does not include certain officers' restricted shares rights granted pursuant to our 2012 Stock Grant Plan which have not vested.
- (3) Ownership percentages reflect the ownership percentage assuming that such person, but no other person, exercises all warrants to acquire shares of our common stock held by such person that are currently exercisable.

The ownership percentage of all executive officers and directors, as a group, assumes that all 12 persons, but no other persons, exercise all warrants to acquire shares of our common stock held by such persons that are currently exercisable.

- (4) Of these shares, 1,007,804 are held of record by David R. Brooks and 50,400 shares are held of record by trusts for his children of which he and his wife are trustees. Mr. Brooks holds warrants to purchase 23,270 shares, which are included in his total shares, and 250,000 of Mr. Brooks' shares are pledged as security for bank loans.
- (5) Includes warrants to purchase 4,656 shares and 100,000 shares pledged as security for bank loans.
- (6) Includes warrants to purchase 4,218 shares and 100,000 shares pledged as security for bank loans.
- (7) Includes warrants to purchase 5,818 shares.
- (8) Includes 48,923 shares owned of record by Mr. Cifu and 94,544 shares to be beneficially owned indirectly by Mr. Cifu through his ownership interest in VV-IB, LLC, which entity owns 405,000 shares of Independent common stock previously owned by Vincent Viola individually. VV-IB, LLC is beneficially owned by Mr. Cifu (23.3442%) and Vincent J. Viola (76.6558%). Mr. Viola is the sole managing member of VV-IB, LLC and has sole dispositive and voting power with respect to the shares of common stock of the Company owned by VV-IB, LLC. Mr. Cifu disclaims beneficial ownership of the shares held by VV-IB, LLC.

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- (9) Includes 193,382 shares held of record by William E. Fair and 7,739 shares held of record by an IRA of which he is beneficiary. Mr. Fair holds warrants to purchase 5,818 shares which are included in his total shares, and 67,358 shares pledged as security for bank loans.
- (10) At the record date, Mr. Jennings was the beneficial owner of 67,000 shares of BOH Holdings common stock and, after the consummation of the BOH Holdings merger, was expected to own between 29,975 and 30,337 shares of the Company's common stock, depending on the amount of the Company's stock per share that he received as part of the merger consideration. Mr. Jennings did not, however, beneficially own any of the Company's common stock as of the record date.
- (11) At the record date, Mr. Poarch beneficially owned 262,549 shares of BOH Holdings common stock (which consisted of 253,750 shares held by Poarch Family Limited Partnership, of which Mr. Poarch is the President of its General Partner, Donald L. Poarch, Inc., and 8,799 shares that may have been acquired within 60 days pursuant to the exercise of stock options) and after the consummation of the BOH Holdings merger was expected to own between 117,464 and 118,882 shares of the Company's common stock, depending on the amount of the Company's common stock per share that he received as part of the merger consideration. Mr. Poarch did not, however, beneficially own any of the Company's common stock as of the record date.
- (12) Of these shares, 109,507 are held of record by a family trust of which Jack Radke is trustee, 8,000 shares owned by Radke Partners, LP, of which Mr. Radke is the general partner, and 8,652 shares held of record by Jack Radke. Mr. Radke holds warrants to purchase 1,747 shares, which are included in his total shares and 124,199 shares are pledged as security for bank loans.
- (13) Of these shares, 116,510 shares are held of record by G. Stacey Smith and 19,230 shares are held of record by SCW Partners, LLC of which he is a principal.
- (14) At the record date, Mr. Stein was the beneficial owner of 203,294 shares of BOH Holdings common stock (including 16,000 shares held of record by an IRA for Mr. Stein's benefit) and, after the consummation of the BOH Holdings merger, was expected to own between 90,953 and 92,051 shares of the Company's common stock, depending on the amount of the Company's stock per share that he received as part of the merger consideration. Mr. Stein did not, however, beneficially own any of the Company's common stock as of the record date.
- (15) Includes warrants to purchase 45,527 shares.
- (16) Of Mr. Viola's shares, 405,000 are owned by VV-IB, LLC. Mr. Viola is the sole managing member of VV-IB, LLC and has full voting and dispositive control over all of these shares. Includes warrants to purchase 93,091 shares.
- (17) Goldman Sachs Asset Management, L.P. and GS Investment Strategies, LLC, together, filed a Schedule 13G as Goldman Sachs Asset Management. These entities have disclaimed beneficial ownership of certain common stock of the Company owned by client accounts or by certain investment entities.

There are no arrangements currently known to us, the operation of which may at a subsequent date result in a change in control of the Company, except that the Company understands that Vincent Viola, its largest shareholder, is considering certain estate planning transfers, which could result in his son, Michael Viola, who is a director of the Company, having shared voting and dispositive power over certain shares of the Company's common stock placed in trust for the benefit of members of Vincent Viola's family.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Based solely on its review of the copies of such report forms received by it with respect to fiscal year 2013, the Company believes that all filing requirements applicable to its directors, executive officers and persons who own more than 10% of a registered class of the Company's equity securities have been timely complied with in accordance with Section 16(a) of the Exchange Act, except for the following late filings:

Edgar Filing: Independent Bank Group, Inc. - Form DEF 14A

Filing made by G. Stacy Smith in connection with a purchase of common stock on April 3, 2013. The Form 4 was filed with the Securities and Exchange Commission on May 9, 2013.

Filing made by Brian M. Aynesworth in connection with a purchase of common stock on November 25, 2013. The Form 4 was filed with the Securities and Exchange Commission on December 2, 2013.

Filing made by William E. Fair in connection with a purchase of common stock on November 25, 2013. The Form 4 was filed with the Securities and Exchange Commission on December 2, 2013.

Filing made by Jack M. Radke in connection with a purchase of common stock on December 2, 2013. The Form 4 was filed with the Securities and Exchange Commission on February 21, 2014.

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**PROPOSAL 2. RATIFICATION OF THE APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Pursuant to the recommendation of the Audit Committee, the board has appointed McGladrey LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2014. McGladrey LLP has served as the Company's independent registered public accounting firm continuously for over eleven years.

At the annual meeting, the shareholders will be asked to consider and act upon a proposal to ratify the appointment of McGladrey LLP. The ratification of such appointment will require the affirmative vote of the holders of a majority of the outstanding shares of common stock entitled to vote and present in person or represented by proxy at the annual meeting. Representatives of McGladrey LLP will be present at the annual meeting, will be given an opportunity to make a statement (if they desire to do so) and will be available to respond to appropriate questions.

Shareholder ratification of the selection of McGladrey LLP as the Company's independent registered public accounting firm for the 2014 fiscal year is not required by the Company's Bylaws, state law or otherwise. However, the board of directors is submitting the selection of McGladrey LLP to the Company's shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain McGladrey LLP. Even if the selection of McGladrey LLP is ratified, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the 2014 fiscal year if it determines that such a change would be in the best interests of the Company and its shareholders.

**THE BOARD RECOMMENDS A VOTE FOR THE PROPOSAL TO  
RATIFY THE APPOINTMENT OF MCGLADREY LLP.**

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**DATE FOR SUBMISSION OF SHAREHOLDER**

**PROPOSALS FOR 2015 ANNUAL MEETING**

If a Company shareholder desires to submit a shareholder proposal pursuant to Rule 14a-5(e) under the Exchange Act for inclusion in the Company's proxy statement for the annual meeting of shareholders in 2015, the Company must receive such proposal and supporting statements, if any, at its principal executive office no later than January 18, 2015.

If a shareholder desires to submit a shareholder proposal outside of Rule 14a-5(e) to be brought before the Company's annual meeting of shareholders in 2015, the shareholder must give timely notice in writing to Jan Webb, Executive Vice President and Secretary; 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069; fax: (972) 562-5496; e-mail: jwebb@ibt.com. The Company must receive such notice at its principal executive office not less than 90 days nor more than 120 days prior to the date of the annual meeting of shareholders in 2015, pursuant to the Company's Third Amended and Restated Bylaws, as amended. A shareholder's notice to Jan Webb must set forth, as to each matter the shareholder proposes to bring before the Company's annual meeting of shareholders in 2015:

- (i) the name and residence address of the shareholder of the Company who intends to make a nomination or present any other matter;
- (ii) a representation that the shareholder is a holder of the Company's voting stock (indicating the class and number of shares owned) and intends to appear in person or by proxy at the annual meeting to make the nomination or bring up the matter specified in the notice;
- (iii) with respect to notice of an intent to make a nomination for the election of a person as a director of the Company, a description of all arrangements or understandings among the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder;
- (iv) with respect to an intent to make a nomination, such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had each nominee been nominated by the board of directors of the Company; and
- (v) with respect to the notice of an intent to bring up any other matter, a description of the matter, and any material interest of the shareholder in the matter.

Notice of intent to make a nomination of a person for election as a director of the Company shall be accompanied by the written consent of each nominee to serve as director of the Company if so elected.

Such proposals should be submitted in writing to: Independent Bank Group, Inc.; Jan Webb, Executive Vice President and Secretary; 1600 Redbud Boulevard, Suite 400, McKinney, Texas 75069; fax: (972) 562-5496; e-mail: jwebb@ibt.com.

**ANNUAL REPORT ON FORM 10-K**

**The Company will furnish, without charge, a copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the SEC, to any shareholder upon written request to Jan Webb, 1600**



**Redbud Boulevard, Suite 100, McKinney Texas 75069.**

**The Company's Annual Report on Form 10-K, including consolidated financial statements and related notes, for the fiscal year ended December 31, 2013, as filed with the SEC, accompanies but does not constitute part of this proxy statement.**

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**OTHER MATTERS**

The board of directors does not intend to bring any other matter before the annual meeting and does not know of any other matters that are to be presented for action at the annual meeting. However, if any other matter does properly come before the annual meeting or any adjournment thereof, the proxies will be voted in accordance with the discretion of the person or persons voting the proxies.

You are cordially invited to attend the annual meeting. Regardless of whether you plan to attend the annual meeting, you are urged to complete, date, sign and return the enclosed proxy in the accompanying envelope at your earliest convenience.

By Order of the Board of Directors,

Jan C. Webb

Executive Vice President and Secretary

McKinney, Texas

April 18, 2014

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**Independent** Shareowner Services  
P.O. Box 64945  
**Bank Group, Inc.** St. Paul, MN 55164-0945

**Vote by Internet, Telephone or Mail**

**24 Hours a Day, 7 Days a Week**

Your phone or Internet vote authorizes the named

proxies to vote your shares in the same manner as if you

marked, signed and returned your proxy card.

**INTERNET** [www.proxypush.com/ibtX](http://www.proxypush.com/ibtX)

Use the Internet to vote your proxy until 11:59 p.m. (CT) on May 14, 2014.

**PHONE 1-866-883-3382**

Use a touch-tone telephone to vote your proxy until 11:59 p.m. (CT) on May 14, 2014.

**MAIL** Mark, sign and date your proxy card and return it in the postage-paid envelope provided.

**If you vote your proxy by Internet or by Telephone, you do NOT need to mail back your Proxy Card.**

**The Board of Directors Recommends a Vote FOR Items 1, 2 and 3.**

1. Election of Class I directors to serve for a term expiring at the annual meeting of shareholders in 2017:	01	Torry Berntsen	03	G. Stacy Smith	Vote FOR	Vote WITHHELD
	02	Jack M. Radke	04	James D. Stein	all nominees (except as marked)	from all nominees

**(Instructions: To withhold authority to vote for any indicated nominee,**

**write the number(s) of the nominee(s) in the box provided to the right.)**

**2.** To ratify the appointment of McGladrey LLP as the independent registered public

accounting firm of Independent Bank Group, Inc. for the year ending 2014.

For  Against  Abstain

**3.** To transact such other business as may properly come before the meeting

or any adjournment thereof.

For  Against  Abstain

**THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED AS THE BOARD RECOMMENDS.**

Address Change? Mark box, sign, and indicate changes below:

Please indicate if you plan to attend the meeting  Yes

Date

Signature(s) in Box

Please sign exactly as your name(s) appears on Proxy. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the Proxy.

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**INDEPENDENT BANK GROUP, INC.  
ANNUAL MEETING OF SHAREHOLDERS**

**Thursday, May 15, 2014**

**3:30 p.m.**

**Ballroom of The Grand Hotel**

**114 West Louisiana Street**

**McKinney, Texas 75069**

**Independent**

**Bank Group, Inc.**

**proxy**

The undersigned holder(s) of Independent Bank Group, Inc. common stock hereby revokes all previous proxies, if any, hereby acknowledges receipt of the Notice of Annual Meeting of Shareholders and Proxy Statement, and hereby appoints David R. Brooks, Torry Berntsen and Michelle S. Hickox, and each of them, as attorneys, agents and proxies of the undersigned, with full powers of substitution, to attend and act as proxies of the undersigned at the Annual Meeting of Shareholders of Independent Bank Group, Inc. to be held at the Ballroom of The Grand Hotel, 114 West Louisiana Street, McKinney, Texas 75069, on Thursday, May 15, 2014, at 3:30 p.m., Central Time, and any and all adjournments thereof, and to vote as specified herein the number of shares of common stock that the undersigned, if personally present, would be entitled to vote, with the same force and effect as the undersigned might or could do if personally present.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the recommendations of the board of directors of Independent Bank Group, Inc.**

*See reverse for voting instructions.*