

CVB FINANCIAL CORP  
Form DEF 14A  
April 06, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

**CVB FINANCIAL CORP.**

(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.



(3) Filing Party:

(4) Date Filed:

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**CVB FINANCIAL CORP.**

**NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD THURSDAY, MAY 19, 2016**

**TO OUR SHAREHOLDERS:**

The 2016 annual meeting of shareholders of CVB Financial Corp. will be held at the Citizens Business Bank Arena, located at 4000 East Ontario Center Parkway, Ontario, CA 91764, on Thursday, May 19, 2016, at 7:00 p.m. local time.

At our meeting, we will ask you to act on the following matters:

1. *Election of Directors.* Elect seven persons to the Board of Directors to serve a term of one year and until their successors are elected and qualified. The following seven persons are our nominees:

George A. Borba, Jr.	Christopher D. Myers
Stephen A. Del Guercio	Raymond V. O'Brien III
Robert M. Jacoby, C.P.A.	Hal W. Oswald
Kristina M. Leslie	

2. *Ratification of Appointment of Independent Registered Public Accountants.* Ratify the appointment of KPMG LLP as our independent registered public accountants for 2016.

3. *Other Business.* Transact any other business that properly comes before the meeting.

Our Bylaws provide for the nomination of directors in the following manner:

Nominations for election of members of the Board of Directors may be made by the Board of Directors or by any shareholder of any outstanding class of voting stock of the corporation entitled to vote for the election of directors. Notice of intention to make any nominations, other than by the Board of Directors, shall be made in writing and shall be received by the President of the corporation no more than 60 days prior to any meeting of shareholders called for the election of directors, and no more than 10 days after the date the notice of such meeting is sent to shareholders pursuant to Section 2.2 of these bylaws; provided, however, that if only 10 days notice of the meeting is given to shareholders, such notice of intention to nominate shall be received by the President of the corporation not later than the time fixed in the notice of the meeting for the opening of the meeting. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of voting stock of the corporation owned by each proposed nominee; (d) the name and residence address of the notifying shareholder; and (e) the number of shares of voting stock of the corporation owned by the notifying shareholder. Nominations not made in accordance herewith shall be disregarded by the then chairman of the meeting, and the inspectors of election shall then disregard all votes cast for each nominee.

Additional information regarding procedures for shareholders recommending nominees for directors is set forth under the heading *Consideration of Shareholder Nominees*.

If you were a shareholder of record at the close of business on March 24, 2016, you may vote at the annual meeting or at any postponement or adjournment of the meeting.

**Important Notice Regarding the Availability of Proxy Materials**

**for the 2016 Annual Meeting of Shareholders to Be Held on May 19, 2016:**

This Proxy Statement and our Annual Report on Form 10-K for the fiscal year 2015 are available on the Internet at: <http://www.cbbank.com/annualmaterials>.

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IT IS IMPORTANT THAT ALL SHAREHOLDERS VOTE. WE URGE YOU TO PLEASE SIGN, DATE AND PROMPTLY RETURN YOUR PROXY CARD IN THE ENCLOSED ENVELOPE, OR VOTE BY TELEPHONE OR INTERNET, SO THAT YOUR SHARES WILL BE REPRESENTED WHETHER OR NOT YOU ATTEND THE ANNUAL MEETING. IF YOU DO ATTEND THE MEETING, YOU MAY THEN WITHDRAW YOUR PROXY AND VOTE IN PERSON.

**IF YOU RECEIVED A PAPER COPY OF THIS PROXY STATEMENT AND A PROXY CARD, PLEASE DO NOT RETURN THE PROXY CARD IF YOU ARE VOTING OVER THE INTERNET OR BY TELEPHONE.**

**By Order of the Board of Directors**

Myrna L. DiSanto  
Corporate Secretary

Dated: April 8, 2016

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**PROXY STATEMENT  
CVB FINANCIAL CORP.**

**701 North Haven Avenue, Suite 350**

**Ontario, California 91764**

**(909) 980-4030**

This proxy statement contains information about the annual meeting of shareholders of CVB Financial Corp. to be held on Thursday, May 19, 2016, beginning at 7:00 p.m., local time, at the Citizens Business Bank Arena, located at 4000 East Ontario Center Parkway, Ontario, CA 91764, and at any postponements or adjournments of the meeting. CVB Financial Corp. is a bank holding company whose principal subsidiary is Citizens Business Bank. CVB Financial Corp. and Citizens Business Bank are sometimes referred to collectively in this proxy statement as the Company.

**PROXY STATEMENT SUMMARY**

Here we present an overview of information that you will find throughout this proxy statement. As this is only a summary, we encourage you to read the entire proxy statement for more information about these topics prior to voting.

**Annual Meeting of Shareholders**

**Time and Date:** 7:00 p.m., PDT, May 19, 2016

**Place:** Citizens Business Bank Arena  
4000 East Ontario Center Parkway  
Ontario, CA 91764

**Record Date:** Shareholders as of the close of business on March 24, 2016

**Admission/**

**Audio Webcast:** Please follow the instructions contained in Questions and Answers About the Annual Meeting and Voting on page 50.

On April 8, 2016, we posted on our website at: [www.cbcbank.com/Investors/AnnualMeetingMaterials](http://www.cbcbank.com/Investors/AnnualMeetingMaterials), and began mailing to shareowners who requested paper copies, this proxy statement and our 2016 Annual Report.

**Shareowner Voting Matters**

<b>Proposal</b>	<b>Board's Voting Recommendation</b>	<b>Page Reference</b>
1. Election of Directors	FOR EACH NOMINEE	6
2. Ratification of Independent Registered Public Accounting Firm	FOR	48

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**CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS**

Our Board of Directors is committed to good business practices, transparency in financial reporting and the highest levels of corporate governance. To that end, the Board of Directors has adopted Corporate Governance Guidelines, which among other things, provide for:

- At least a majority of independent directors;
- Audit, compensation and nominating and corporate governance committees consisting solely of independent directors;
- Periodic executive sessions of non-management directors and audit committee directors;
- An annual self-evaluation process for the Board of Directors and its committees;
- Ethical conduct of directors;
- Director access to officers and employees;
- Director access to independent advisors;
- Periodic review of management's succession plan; and
- Methodology for reporting concerns to non-employee directors or the Audit Committee.

A copy of our Corporate Governance Guidelines is available on our website at [www.cbbank.com](http://www.cbbank.com) by clicking the tab Investors, Corporate Overview and then Governance Documents.

**Board Selection Process**

We have established a Nominating and Corporate Governance Committee. This committee assists the Board of Directors in director selection, as well as review and consideration of developments in corporate governance practices. This committee also recommends to the Board of Directors director nominees for each Board of Directors committee, and reviews any director candidates submitted by shareholders. The Nominating Committee will consider candidates recommended by shareholder(s) utilizing the same criteria as candidates identified by the Nominating Committee.

The Nominating and Corporate Governance Committee is responsible for annually reviewing and evaluating with the Board of Directors the appropriate skills and characteristics required of members of the Board of Directors in the context of the current composition of the Board of Directors and our goals for nominees to the Board of Directors, including nominees who are current members of the Board of Directors. The Nominating and Corporate Governance Committee has the authority to utilize, and from time to time engages, third party advisors, as appropriate, to assist it in fulfilling its Board of Directors selection function. During fiscal year 2015, the Nominating and Corporate Governance Committee engaged Chrisman & Company to assist it in identifying and assessing potential director candidates, including Ms. Kristina M. Leslie, who was appointed to our Board in August 2015. Services provided by third party advisors generally include identifying and assessing potential director candidates meeting criteria established by the Nominating and Corporate Governance Committee, verifying information about the prospective candidate's credentials, and obtaining a preliminary indication of interest and willingness to serve as a Board member.

The Nominating and Corporate Governance Committee considers the entire makeup of the Board of Directors when making its nominating recommendations to the full Board of Directors, including age, experience and skillset. In identifying and evaluating nominees for director, the goals of the Nominating and Corporate Governance Committee include maintaining a strong and experienced Board of Directors by continually assessing the Board of Directors business background, current responsibilities, community involvement, independence, commitment to CVB Financial Corp. (including meaningful ownership of our common stock with a market value of at least \$100,000) and time available for service. The Nominating and Corporate Governance Committee also considers diversity of viewpoints,

background, experience (including skill diversity) and other demographics in the selection of nominees.

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Other important factors the Nominating and Corporate Governance Committee will consider in evaluating nominees include current knowledge of and contacts in CVB Financial Corp.'s industry (banking) and other industries relevant to CVB Financial Corp.'s business, and ability to work together with other members of the Board of Directors.

In 2014, our Board of Directors, acting on the recommendation of our Nominating and Corporate Governance Committee, adopted a mandatory retirement policy for members of the Board of Directors. This policy provides that any Board member who reaches his or her 78th birthday would be permitted to serve out the remainder of his or her then-current one-year term, but would be ineligible to be renominated for re-election. However, for any existing Board member who was serving on the Board of Directors at the time this policy was adopted, there was a two-year grandfather period whereby such director would remain eligible for renomination for the next two annual elections of directors but not thereafter.

Mr. San E. Vaccaro was the only member of our Board of Directors who qualified for the grandfather period exception to our mandatory retirement policy when it was adopted, and now that this two-year period has expired, Mr. Vaccaro is not eligible for renomination in 2016. Accordingly, the term of Mr. Vaccaro's service on our Board of Directors will end as of the date of our 2016 annual shareholders' meeting.

The enumerated size of the Board of Directors for each of CVB Financial Corp. and Citizens Business Bank is currently set at eight members, and it has been the consistent practice for the same directors to serve on the respective Boards of Directors of both entities. Upon the completion of Mr. Vaccaro's term of service, our Board of Directors will have one vacancy. The Nominating and Corporate Governance Committee is presently seeking to fill this open position on the Board of Directors and is considering the qualifications of various candidates.

## **Board Leadership Structure and Risk Oversight**

The business and affairs of CVB Financial Corp. and Citizens Business Bank are managed under the direction of our Board of Directors. The Board of Directors has historically separated the role of Chief Executive Officer and Chairman of the Board. This structure, together with our other strong corporate governance practices, provides robust independent oversight of management while ensuring clear strategic alignment throughout the Company.

Mr. Raymond V. O'Brien III was elected by the Board of Directors as the Chairman of the Board, effective on January 1, 2015. Mr. O'Brien had previously served as a director of CVB Financial Corp. and Citizens Business Bank since 2012, and as Vice-Chairman of the Board since March 2014. Mr. George A. Borba, Jr., who has served as a director of CVB Financial Corp. and Citizens Business Bank since 2012, continues to serve as our Vice-Chairman of the Board. Christopher D. Myers currently serves as our President and Chief Executive Officer and as one of our directors.

Separate board committees exist at CVB Financial Corp. and Citizens Business Bank, each of which is responsible for supervising various areas of risk. The Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee exist at CVB Financial Corp. The Balance Sheet Management Committee, Loan Committee, Risk Management Committee and Trust Services Committee exist at Citizens Business Bank. All of the committees meet regularly and report to the full Board of Directors.

The Board of Directors is charged with providing oversight of the Company's risk management policies and processes. In accordance with the rules and regulations of the NASDAQ Stock Market, the Audit Committee is primarily responsible for overseeing the risk management function at CVB Financial Corp. on behalf of the Board of Directors.

The Risk Management Division of Citizens Business Bank conducts periodic monitoring of compliance efforts with a special focus on those areas that expose the Bank to compliance risk. The purpose of the periodic monitoring is to

ensure that Citizens Business Bank s associates and business

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practices are adhering to established policies and procedures. The Chief Risk Officer of Citizens Business Bank notifies the appropriate department head, the Management Compliance Committee, the Risk Management Committee of Citizens Business Bank and the Audit Committee of CVB Financial Corp. of any significant violations noted.

The committees meet periodically with the various members of management and receive comprehensive reports on risk management, including management's assessment of risk exposures (including risks related to liquidity, market sensitivity, credit, operations and regulatory compliance, among others), and the processes in place to monitor and control such exposures. From time to time, the committees also receive updates between meetings from members of management relating to risk oversight matters. The Audit Committee is presented with a report on enterprise risk management by management on at least a quarterly basis, and this report is shared and discussed with the full Board of Directors.

In addition to the Risk Management Committee of Citizens Business Bank and the Audit Committee of CVB Financial Corp., other committees of the Board of CVB Financial Corp. consider the risks within their areas of responsibility. For example, the Compensation Committee of CVB Financial Corp. considers the risks that may be implicated by our executive compensation programs, including our Executive Incentive Plan. For a discussion of the Compensation Committee's review of CVB Financial Corp.'s senior executive officer compensation plans and employee incentive compensation plans and the risks associated with these plans, see Compensation Committee Report Discussion of Compensation Policies and Practices Related to Risk Management in this proxy statement.

All board committees have continued to be fully staffed.

## **Consideration of Shareholder Nominees**

The policy of the Nominating and Corporate Governance Committee is to consider properly submitted shareholder nominations for candidates for membership on the Board of Directors. In evaluating nominees, the Nominating and Corporate Governance Committee will look at the same factors described under the heading Board Selection Process above that it uses for nominees who come to its attention from persons other than current members of the Board of Directors. Recommendations must be submitted in writing to the attention of the Chair of the Nominating and Corporate Governance Committee at the following address:

CVB Financial Corp.

701 N. Haven Avenue, Suite 350

Ontario, California 91764

Shareholders should include in such recommendation (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of voting stock of CVB Financial Corp. owned by each proposed nominee and the notifying shareholder; (d) the name and residence address of the notifying shareholder; and (e) a letter from the proposed nominee indicating that such proposed nominee wishes to be considered as a nominee for the CVB Financial Corp. Board of Directors and will serve as a member of the CVB Financial Corp. Board of Directors if elected. In addition, each recommendation must set forth in detail the reasons why the notifying shareholder believes the proposed nominee meets the criteria set forth in the Nominating and Corporate Governance Committee Charter for serving on CVB Financial Corp.'s Board of Directors.

In addition, our Bylaws permit shareholders to nominate directors for consideration at an annual meeting. For a description of the process, see the Notice of 2016 Annual Meeting of Shareholders included herein.





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### **Executive Sessions**

Executive sessions of independent directors are held at least six times a year. The person who presides at these meetings is chosen by the independent directors.

### **Attendance at Annual Meetings**

The Board of Directors encourages all of its members to attend the annual meeting of shareholders. All of our directors who were directors at the time attended the 2015 annual meeting of shareholders.

### **Communications with the Board of Directors**

Shareholders wishing to contact CVB Financial Corp.'s Board of Directors, including a committee of the Board of Directors, may do so by writing to the following address to the attention of the Board of Directors or a committee of the Board of Directors at:

Board of Directors

CVB Financial Corp.

701 North Haven Avenue, Suite 350

Ontario, California 91764

Confidential communications may be sent through the Internet by logging on to <http://www.reportit.net> and entering the username: Citizens and the password: Citizens. All communications sent to the Board of Directors will be communicated with the entire Board of Directors unless the communication is intended only for a specific committee. CVB Financial Corp.'s Corporate Secretary keeps a log of all communications sent to the Board of Directors or its committees. This log is available for inspection by the members of the Board of Directors.

### **Executive Officers**

Biographical information about all of our named executive officers is contained under Item 1 of our Annual Report on Form 10-K, a copy of which is being mailed with this proxy statement or, as referenced in the Notice, is available on the SEC's website at <http://www.sec.gov> and at [www.cbbank.com/annualmaterials](http://www.cbbank.com/annualmaterials).

**Table of Contents****DISCUSSION OF PROPOSALS RECOMMENDED BY THE BOARD****PROPOSAL 1:****ELECTION OF DIRECTORS**

We have nominated seven directors for election at the annual meeting of shareholders, which is one fewer than the number fixed for the election of directors. As noted above, there will be one vacancy on the Board of Directors created by the mandatory retirement of San E. Vaccaro effective at our annual meeting on May 19, 2016, and the Board of Directors intends to fill this vacancy as soon as a qualified candidate is identified who is willing to serve.

We have nominated the persons named below, all of whom are present members of CVB Financial Corp.'s Board of Directors, for election to serve until our 2017 annual meeting of shareholders and until their successors have been elected and qualified. Each of these persons is also a member of the Board of Directors of our principal subsidiary, Citizens Business Bank. Members of the Board of Directors will cast their votes to effect the election of these nominees. If any nominee is unable to serve, your proxy may vote for another nominee proposed by the Board of Directors. Proxies cannot be voted for a greater number of individuals than the number of nominees named.

Each of our Board members was nominated based on the assessment of our Nominating and Corporate Governance Committee and our Board of Directors that the nominees have demonstrated an ability to make meaningful contributions to the oversight of our business and affairs, have a reputation for honesty and ethical conduct in their personal and professional activities, and share independence, experience and sufficient communication and analytical skills.

**The Nominees**

The directors standing for reelection are:

Position	Age	Occupation	Director Since	Independent	Audit	Compensation	Nominee Committee Memberships			
							CVBF Board	Nominating & Corporate Governance	Balance Sheet Management	CBB Board Committees
Director	59	Chief Executive Officer, Cal Plate, Inc.	2012	YES	.	Chair	Chair	Chair	.	.
Chairman of the Board	48	Partner, George Borba & Son Dairy, L.P.	2012	YES	.	.	.	.	.	.
Director	54	Partner, Demetriou, Del	2012	YES	.	.	.	.	.	Chair

		Guercio, Springer & Francis, LLP						
<b>M. Jacoby</b>	74	Certified Public Accountant	2005	YES	Chair	.	.	.
<b>M. Leslie</b>	51	Retired Finance Executive	2015	YES	.	.	.	.
<b>her D. Myers</b>	54	President and Chief Executive Officer, CVB Financial Corp.	2006	NO			Chair	.
President and Executive Officer								
<b>Oswalt</b>	68	President and Chief Executive Officer, Oswalt Consulting	2014	YES	.	.	.	.

Six of our seven nominees were elected at the 2015 annual meeting of shareholders, and one nominee (Kristina M. Leslie) was appointed effective on August 21, 2015. Although each of the nominees was selected based on the entirety of his or her experience and skills, the following sets forth certain specific qualifications for directorship for each of our directors:

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*George A. Borba, Jr.* is Vice-Chairman of the Board and has served on our Board since 2012. Mr. Borba, a dairy farmer, became a partner in George Borba & Son Dairy, L.P. in 1990. He is currently President of Belonave Dairy and 5 Mile Ranch LLC, both located in Bakersfield, California, which together represent one of the larger dairy operations in the State of California. Mr. Borba earned a B.S. in Agricultural Business Management with a concentration in Finance from the California Polytechnic University in San Luis Obispo. He has served on various boards in San Bernardino and Kern Counties and is active in the Bakersfield community, serving and volunteering at St. Francis Catholic Church, Bethany Homeless Shelter and the Alliance Against Family Violence and Sexual Assault. Mr. Borba is a member of the Compensation Committee of CVB Financial Corp., and he is Chairman of the Trust Services Committee and is a member of the Balance Sheet Management Committee, the Loan Committee, and the Risk Management Committee of the Citizens Business Bank Board. Mr. Borba brings to the Board a deep understanding of the dairy and agricultural industries, which are key components of Citizens Business Bank's loan portfolio, as well as strong connections with the business community in the Central Valley of California, which is an important region for Citizens Business Bank's current and future growth.

*Stephen A. Del Guercio* has served on our Board since 2012. Mr. Del Guercio is presently a partner with the law firm of Demetriou, Del Guercio, Springer & Francis, LLP. He was admitted to the California Bar in 1986. His practice areas include real estate and corporate transactional law, serving mid-sized businesses and high net worth individuals. He received his B.A. from the University of Southern California, graduating magna cum laude in 1983, and he received his J.D. from the University of Southern California Law School, graduating Order of the Coif in 1986. Mr. Del Guercio served on the City Council of the City of La Canada Flintridge from 2001 to 2013, including three one-year terms as Mayor. He is also involved with various community and charitable organizations in the greater Pasadena and Los Angeles areas. Mr. Del Guercio is a member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee of CVB Financial Corp., and he is a member of the Balance Sheet Management Committee, the Risk Management Committee and the Trust Services Committee of the Citizens Business Bank Board. Mr. Del Guercio's qualifications to sit on the Board include his legal and financial experience and his extensive relationships in the business community in the San Gabriel Valley, which is another key region for Citizens Business Bank.

*Robert M. Jacoby, C.P.A.* is a Certified Public Accountant who has served on our Board since 2005. He is one of two designated financial experts on the Audit Committee of CVB Financial Corp. As an accountant, Mr. Jacoby has operated his own accounting practice since 1992. Prior to 1992, he was with the accounting firm of Grant Thornton for 21 years, where he specialized in banking, manufacturing and distribution. Mr. Jacoby is a member of the American Institute of Certified Public Accountants (AICPA) and the California Society of Certified Public Accountants. Mr. Jacoby was previously the engagement partner for Grant Thornton when the firm was the accounting firm for Chino Valley Bank, the predecessor company to Citizens Business Bank, from 1981 to 1987. Mr. Jacoby was also a director of the former First American Bank (now PacWest Bancorp) in Rosemead, California for thirteen years. Mr. Jacoby is Chairman of the Audit Committee and is a member of the Compensation Committee and the Nominating and Corporate Governance Committee of CVB Financial Corp., and he is a member of the Balance Sheet Management Committee, the Risk Management Committee and the Trust Services Committee of the Citizens Business Bank Board. Mr. Jacoby's qualifications to sit on the Board include his financial and accounting expertise, his years of experience as a bank director, and his history with and knowledge of CVB Financial Corp.'s and Citizens Business Bank's financial and business affairs.

*Kristina M. Leslie* is a consultant and corporate director and the second designated financial expert serving on the Audit Committee of CVB Financial Corp. Ms. Leslie was appointed to our Board effective on August 21, 2015. Ms. Leslie has served in a variety of senior financial management roles, including in treasury, investor relations and strategic planning at Paramount Communications, as Director of Financial Planning for Viacom Inc., and as Head of Strategic Planning and Corporate Finance, and then Chief Financial Officer, of Dreamworks, until her retirement in

2007. Since that date, Ms. Leslie has served as a

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corporate director for a number of entities, including Orbitz Worldwide, Pico Holdings (NASDAQ: PICO) and Blue Shield of California. She received her B.A. in Economics from Bucknell University and a M.B.A. in Finance from Columbia University. Ms. Leslie serves as a member of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee of CVB Financial Corp., and she is a member of the Balance Sheet Management Committee, Loan Committee, Risk Management Committee and Trust Services Committee of the Citizens Business Bank Board. Ms. Leslie's qualifications to sit on our Board include her extensive experience in the areas of treasury management, financial planning, accounting and finance, and her prominence in the business community in the San Gabriel Valley where Citizens Business Bank has important operations and customers.

*Christopher D. Myers* is the current President and Chief Executive Officer of CVB Financial Corp. and Citizens Business Bank. He has served in that capacity and as a Board member since August 1, 2006. During his tenure, the Bank produced record earnings in 2006, 2011, 2013, and 2014, and extended its quarterly profit record to 155 consecutive quarters. For 2015, Forbes ranked CVB Financial Corp. number one in terms of overall performance when compared to the 100 largest banks in America. From 2004 to 2006, Mr. Myers served as Chairman of the Board and Chief Executive Officer of Mellon 1st Business Bank, a \$3 billion-asset Los Angeles-based bank that was acquired by U.S. Bank. From 1996 to 2003, he held several management positions with Mellon 1st Business Bank, including Executive Vice President, Regional Vice President, and Vice President/Group Manager. He is presently a board member of the California Bankers Association and the UCLA Anderson School of Management's Fink Center for Finance and Investments. Mr. Myers received his B.A. from Harvard University and a M.B.A. in Finance and Marketing from UCLA and has over 30 years of experience in banking. Mr. Myers serves as Chairman of the Loan Committee and as a member of the Balance Sheet Management Committee, the Risk Management Committee and the Trust Services Committee of the Citizens Business Bank Board. Mr. Myers' qualifications to sit on our Board include his extensive banking, operational and executive leadership experience.

*Raymond V. O'Brien III* is Chairman of the Board and has served on our Board since 2012. Mr. O'Brien has an extensive background in both manufacturing and banking. Mr. O'Brien began his professional career in banking in 1979 with Chase Manhattan Bank and moved to 1st Business Bank in 1983. In 1987, he left the banking profession and became CEO and owner of I.L. Walker, a Los Angeles-based manufacturing company. Over the next two-plus decades, Mr. O'Brien owned and led several manufacturing companies. He is currently the Chief Executive Officer and owner of Cal Plate, Inc., based in Artesia, CA. Mr. O'Brien was a founding director of American Business Bank in 1997 and served as a director at that institution until 2012. Mr. O'Brien earned his B.B.A. in Finance from the University of Notre Dame in 1979. Mr. O'Brien is an active 49er member of the Young Presidents' Organization. Mr. O'Brien is Chairman of the Compensation Committee, Chairman of the Nominating and Corporate Governance Committee and is a member of the Audit Committee of CVB Financial Corp. Mr. O'Brien is Chairman of the Balance Sheet Management Committee and is a member of the Risk Management Committee, the Loan Committee and the Trust Services Committee of the Citizens Business Bank Board. Mr. O'Brien's qualifications to sit on our Board include his operational and financial expertise gained from the successful operation of a number of business entities, as well as his direct experience as a banker and bank director.

*Hal W. Oswald* was appointed as a director of CVB Financial Corp. and Citizens Business Bank effective January 1, 2014. Mr. Oswald spent 16 years as a commercial banker in Oklahoma, where he served as President, CEO and a director of community banks in Oklahoma City and Tulsa. Since 1991, he has worked in the consulting industry where his roles have included serving as Managing Director of Global Consulting at Alltel Financial Services, as Managing Director of Sheshunoff Consulting Services, President of Brintech, Inc. and President of SC+S Risk Management Services. Over a 20-year period, he has managed consulting projects throughout the United States, Europe, Asia and Australia. Mr. Oswald earned a B.S. in Business and a M.B.A. from Oklahoma State University. He is also a graduate of the University of Wisconsin's Graduate School of Banking. Mr. Oswald is a member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee of CVB

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Corp., and he is a member of the Balance Sheet Management Committee, the Risk Management Committee and the Trust Services Committee of the Citizens Business Bank Board. Mr. Oswald's qualifications to sit on our Board include his extensive background in both commercial banking and financial consulting, and his particular expertise in strategic planning, cost management and organizational change management.

## **Director Independence**

With the exception of Mr. Myers, each of our directors is independent within the meaning of the rules and regulations promulgated by the NASDAQ Stock Market and has been determined to be independent by our Nominating and Corporate Governance Committee, with respect to his or her Board service and the Committees on which each such director respectively serves. In making such determinations, our Nominating and Corporate Governance Committee evaluated banking, commercial service, familial or other transactions involving each director or immediate family member and his or her related interests, and the Company, if any.

## **The Board of Directors and Committees**

The Board of Directors of CVB Financial Corp. oversees our business and corporate affairs. As set forth previously, the Board of Directors of CVB Financial Corp. also has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The Board of Directors of Citizens Business Bank has four standing committees: Balance Sheet Management Committee, Loan Committee, Risk Management Committee and Trust Services Committee.

## **The Number of Meetings Attended**

During 2015, CVB Financial Corp.'s Board of Directors held 12 regular meetings and 4 special meetings, and the Board of Directors of Citizens Business Bank held 12 regular meetings and 2 special meetings. All of the directors of CVB Financial Corp. and Citizens Business Bank who served in 2015, and all of the directors of CVB Financial Corp. who are nominated for election at the 2016 annual meeting of shareholders, attended at least 75% of the aggregate of (i) the total number of CVB Financial Corp. and Citizens Business Bank Board meetings which they were eligible to attend and (ii) the total number of meetings held by all committees of the Board of Directors of CVB Financial Corp. or Citizens Business Bank on which they served during 2015 and which they were eligible to attend.

## **Audit Committee**

The Audit Committee of the Board of Directors is composed of Robert M. Jacoby (Chairman), Stephen A. Del Guercio, Raymond V. O'Brien III, Kristina M. Leslie and Hal W. Oswald. San E. Vaccaro was a member of our Audit Committee during 2015 and will continue to be a member until the term of his service on our Board of Directors ends at our 2016 annual meeting. The Audit Committee operates under a written charter, adopted by the Board of Directors, which is available on our website at [www.cbbank.com](http://www.cbbank.com) by clicking the tab Investors, then Corporate Overview and then Governance Documents. The Audit Committee is a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Each of the members of the Audit Committee is independent within the meaning of the rules and regulations of the NASDAQ Stock Market.

The purpose of the Audit Committee is to oversee and monitor (i) the integrity of our financial statements and the Company's systems of internal accounting and financial controls; (ii) our compliance with applicable legal and regulatory requirements; (iii) our independent auditor qualifications and independence; and (iv) the performance of our internal audit function and independent auditors. The Board of Directors has determined that Mr. Jacoby and



Ms. Leslie are audit committee financial experts within the meaning of the rules and regulations of the SEC.

The Audit Committee has sole authority to appoint or replace the Company's independent auditors (including oversight of audit partner rotation). The Audit Committee is also directly responsible for the

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compensation and oversight of the work of the independent auditors. Our internal audit function and our independent auditors report directly to the Audit Committee. Among other things, the Audit Committee prepares the audit committee report for inclusion in the annual proxy statement, reviews and discusses with management and the independent auditors our independent certified audits; reviews and discusses with management and the independent auditors our quarterly and annual financial statements; reviews the adequacy and effectiveness of our disclosure controls and procedures; approves all auditing and permitted non-auditing services performed by our independent auditors; reviews significant findings by our bank regulators and management's response thereto; establishes procedures to anonymously and confidentially handle complaints we receive regarding auditing matters and accounting and internal accounting controls; and handles the confidential, anonymous submission to it by our employees of concerns regarding questions relating to accounting or auditing matters. The Audit Committee also has authority to retain independent legal, accounting and other advisors as the Audit Committee deems necessary or appropriate to carry out its duties. The Audit Committee held 12 meetings during 2015, plus 5 special meetings for the purpose of reviewing and approving SEC filings and appointing our independent auditing firm.

The report of the Audit Committee is included below.

### **Audit Committee Report**

*The following Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any of our other filings under the Securities Act of 1933 or under the Exchange Act, except to the extent that we specifically incorporate this Report by reference.*

The Audit Committee reports to the Board of Directors and is responsible for overseeing and monitoring financial accounting and reporting, the system of internal controls established by management and the audit process of CVB Financial Corp. The Audit Committee manages CVB Financial Corp.'s relationship with its independent auditors (who report directly to the Audit Committee).

In discharging its oversight responsibility, the Audit Committee has met and held discussions with management and KPMG LLP, the independent registered public accounting firm for CVB Financial Corp., regarding the audited consolidated financial statements. Management represented to the Audit Committee that the consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The Audit Committee discussed with the independent auditors the matters required to be discussed by the Public Company Accounting Oversight Board ( PCAOB ) in Auditing Standard No. 16 on *Communications with Audit Committees*. The Audit Committee also has received the written disclosures and the letter from the independent auditors required by the applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee concerning independence. The Audit Committee discussed with the independent auditors their independence and satisfied itself as to their independence. The Audit Committee also reviewed the PCAOB inspection report and peer review report of KPMG LLP by PricewaterhouseCoopers LLP.

Based on these discussions and reviews, the Audit Committee recommended that the Board of Directors approve the inclusion of CVB Financial Corp.'s audited consolidated financial statements in the Annual Report on Form 10-K, for the year ended December 31, 2015, for filing with the SEC.

Respectfully submitted by the members of the Audit Committee of the Board of Directors:

THE AUDIT COMMITTEE

*Robert M. Jacoby, C.P.A., Chairman*

*Stephen A. Del Guercio*

*Kristina M. Leslie*

*Raymond V. O'Brien III*

*Hal W. Oswald*

*San E. Vaccaro*

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

The Board of Directors has a Nominating and Corporate Governance Committee consisting of Raymond V. O'Brien III (Chairman), George A. Borba, Jr., Stephen A. Del Guercio, Robert M. Jacoby, Kristina M. Leslie and Hal W. Oswalt. San E. Vaccaro was a member of the Nominating and Corporate Governance Committee during 2015 and will continue to be a member until the term of his service on our Board of Directors ends at our 2016 annual meeting. Each of the members of the Nominating and Corporate Governance Committee is independent within the meaning of the rules and regulations of the NASDAQ Stock Market.

As set forth above, the Nominating and Corporate Governance Committee:

- Assists the Board of Directors by identifying individuals qualified to become members of the Board of Directors;

- Recommends to the Board of Directors the director nominees for the next annual meeting;

- Recommends to the Board of Directors director nominees for each Board committee; and

- Develops and recommends a set of corporate governance principles applicable to CVB Financial Corp.

Other specific duties and responsibilities of the Nominating and Corporate Governance Committee include: retaining and terminating any outside search firm to identify director candidates; receiving communications from shareholders regarding any matters of concern; recommending to the Board the appropriate directors to serve on each Board committee; and reviewing and reassessing the adequacy of its charter and its own performance on an annual basis. The procedures for nominating directors, other than by the Board of Directors itself, are set forth in the bylaws and reprinted in the Notice of Annual Meeting of Shareholders. The charter of the Nominating and Corporate Governance Committee is available on our website at [www.cbbank.com](http://www.cbbank.com) by clicking the tab Investors, then Corporate Overview and then Governance Documents. The Nominating and Corporate Governance Committee held 5 regular meetings during 2015.

### **Compensation Committee**

The Compensation Committee of the Board of Directors of CVB Financial Corp. (the Compensation Committee) has overall responsibility for overseeing our compensation and employee benefit plans and practices, including our executive compensation plans and our incentive compensation, bonus and equity-based plans. This committee is composed of Raymond V. O'Brien III (Chairman), George A. Borba, Jr., Stephen A. Del Guercio, Robert M. Jacoby, Kristina M. Leslie and Hal W. Oswalt. San E. Vaccaro was a member of the Compensation Committee during 2015 and will continue to be a member until the term of his service on our Board of Directors ends at our 2016 annual meeting. Each of the members of the Compensation Committee is independent within the meaning of the rules and regulations of the NASDAQ Stock Market. During 2015, the Compensation Committee held 12 regular meetings.

The Compensation Committee has a charter, which can be found on CVB Financial Corp.'s website, [www.cbbank.com](http://www.cbbank.com), by clicking the tab Investors, then Corporate Overview and then Governance Documents.

The Compensation Committee has the responsibility of recommending to the Board of Directors the appropriate level of compensation for the Board of Directors, and for determining the total compensation of all officers of CVB Financial Corp. and Citizens Business Bank.

The Compensation Committee may delegate its authority to others within the organization if it deems necessary, but has not done so. Our Chief Executive Officer, Chief Financial Officer, and Human Resources Director participate,

when requested to do so, in determining or recommending the amount or form of executive and director compensation (except with respect to their own compensation).

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**Role of the Compensation Consultant**

The Compensation Committee has the authority to consult and retain internal and external advisors as needed. In determining the compensation of our named executive officers, including our President and Chief Executive Officer, and our Board of Directors, the Compensation Committee utilizes a variety of resources, including reports, information and advice provided by the firm Frederic W. Cook & Co., Inc. (Cook), which is a leading national firm specializing in providing executive compensation consulting services to public companies.

Cook was initially retained by our Compensation Committee in November, 2013, in connection with the 2014 renewal of the Employment Agreement by and among CVB Financial Corp., Citizens Business Bank and our President and Chief Executive Officer, Christopher D. Myers. At that time, the Compensation Committee retained Cook to assist the Committee in (1) evaluating the performance of Mr. Myers as President and Chief Executive Officer, (2) developing a peer group of companies believed to be reasonably comparable to CVB Financial Corp., as further described in the section of this proxy statement on Peer Group Considerations and the Compensation Consultant, and (3) analyzing and benchmarking the key terms of Mr. Myers' renewed Employment Agreement, including base salary, bonus, equity-based incentives and benefit plans, as well as reviewing other material provisions. Additional information concerning Mr. Myers' 2014 Employment Agreement is set forth in the section of this proxy statement on 2009 and 2014 Employment Agreements with Chief Executive Officer.

Cook was subsequently engaged by the Compensation Committee in June 2014 to provide a second report for the purpose of benchmarking the base salary, bonus, equity-based incentive plans, and benefit plans for each of our five named executive officer positions: our President and Chief Executive Officer, our Executive Vice President and Chief Financial Officer, our Executive Vice President and Chief Credit Officer, our Executive Vice President and Sales Division Manager, and our Executive Vice President and Chief Operations Officer. Cook performed this analysis by (1) utilizing the same peer group of companies developed and employed in connection with Cook's evaluation and recommendations regarding the compensation of Mr. Myers, as described above, and (2) gathering peer group compensation data, as disclosed in relevant SEC filings by the respective peer group companies, including in proxy statements, annual reports and Form 8-K filings.

In October 2014, Cook was engaged by the Compensation Committee to provide a third report focusing on the compensation of members of the Board of Directors of CVB Financial Corp. and Citizens Business Bank. With respect to director compensation, Cook used the same peer companies to benchmark cash retainer levels for board and committee services, equity grants and other typical program features. Director compensation for CVB Financial Corp. and Citizens Business Bank is discussed further in the section of this proxy statement on Director Compensation.

For additional information on Cook's assistance in connection with the development of the group of peer companies for CVB Financial Corp., please refer to the section of this proxy statement on Peer Group Considerations and the Compensation Consultant.

It is the Compensation Committee's practice and intention to continue to engage Cook or another recognized compensation firm on a periodic basis to provide reports and advice to the Committee on compensation and employment terms and practices as applicable to our officers and directors. While the relevant time periods between such engagements may vary depending on market trends, company performance, staffing needs and competitor activity, it is anticipated that the Committee would utilize an outside compensation consultant on a two-to-three year cycle for the purpose of benchmarking the compensation and other benefits provided to our President and CEO, named executive officers and directors, respectively, to comparable metrics at an appropriate peer group of companies.

In 2015, CVB Financial Corp. engaged Cook for routine proxy advisory services at a total cost of approximately \$40,000. Our assessment found no conflict of interest posed by the retention of Cook as compensation consultants for CVB Financial Corp.

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**COMPENSATION DISCUSSION AND ANALYSIS**

The following compensation discussion and analysis describes our compensation philosophy and summarizes the structure and objectives of the various compensation programs administered by our Compensation Committee for our five executive officers for whom disclosures must be provided under SEC rules ( named executive officers or NEOs ):

Christopher D. Myers