

PACIFIC PREMIER BANCORP INC  
Form PRE 14A  
April 14, 2017

Use these links to rapidly review the document

[Table of Contents](#)

[Table of Contents](#)

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

**SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**PACIFIC PREMIER BANCORP, INC.**

---

(Name of Registrant as Specified In Its Charter)

**Not Applicable**

---

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form PRE 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o 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:

---

Table of Contents

**17901 Von Karman Avenue, Suite 1200  
Irvine, California 92614  
949-864-8000**

April , 2017

Fellow Stockholders:

On behalf of the Board of Directors and management of Pacific Premier Bancorp, Inc. (the "Company"), you are cordially invited to attend the Annual Meeting of Stockholders of the Company ("Annual Meeting"). The Annual Meeting will be held on Tuesday, May 31, 2017, at 9:00 a.m., Pacific Time, at the Company's corporate headquarters located at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614.

The attached Notice of the Annual Meeting and Proxy Statement describe in greater detail all of the formal business that will be transacted at the Annual Meeting. Directors and officers of the Company will be present at the Annual Meeting to respond to any questions that you may have regarding the business to be transacted.

**The Company's Board of Directors has determined that each of the proposals that will be presented to the stockholders for their consideration at the Annual Meeting are in the best interests of the Company and its stockholders, and unanimously recommends and urges you to vote "FOR" each director nominee, "FOR" an annual advisory vote on executive compensation, and "FOR" approval of the proposed amendment to the Pacific Premier Bancorp, Inc. Amended and Restated 2012 Long-Term Incentive Plan, for the reasons set forth therein.** If any other business is properly presented at the Annual Meeting the proxies will be voted in accordance with the recommendations of the Company's Board of Directors

We encourage you to attend the Annual Meeting in person if it is convenient for you to do so. If you are unable to attend, it is important that you vote via the Internet, by telephone, or sign, date and return the enclosed proxy card in the enclosed postage-paid envelope. Your cooperation is appreciated since a majority of the common stock must be represented, either in person or by proxy, to constitute a quorum for the transaction of business at the Annual Meeting.

On behalf of the Board of Directors and all of the employees of the Company, we thank you for your continued support.

Best Regards,

Steven R. Gardner  
*Chairman, President and Chief Executive Officer*

---

**PACIFIC PREMIER BANCORP, INC.**

17901 Von Karman Avenue, Suite 1200  
Irvine, California 92614  
949-864-8000

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held May 31, 2017**

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders ("Annual Meeting") of Pacific Premier Bancorp, Inc. (the "Company") will be held on Tuesday, May 31, 2017 at 9:00 a.m., Pacific Time, at the Company's corporate headquarters located at 17901 Von Karman Avenue, Suite 1200, Irvine, California, to consider and act upon the following matters:

1. To elect ten (10) directors, each for a one-year term, or until their successors are elected and qualified;
2. To approve, on a non-binding advisory basis, the Company's executive compensation;
3. To approve the amendment to the Pacific Premier Bancorp, Inc. Amended and Restated 2012 Long-Term Incentive Plan to increase the number of shares available for grant under such plan;
4. To ratify the appointment of Crowe Horwath LLP as the Company's independent auditor for the fiscal year ending December 31, 2017; and
5. To transact such other matters as may properly come before the meeting and at any adjournments thereof. Management is not aware of any other such business.

The Board of Directors has fixed April 12, 2017 as the record date for determination of stockholders entitled to receive notice of and to vote at the Annual Meeting and any adjournment thereof. Only those stockholders of record as of the close of business on that date will be entitled to vote at the Annual Meeting or at any such adjournment.

By Order of the Board of Directors,

Robert A. Tidd  
Corporate Secretary  
Irvine, California  
April , 2017

**IMPORTANT:** Whether or not you expect to attend the Annual Meeting, we urge you to vote your proxy at your earliest convenience via the Internet, by telephone or mail by using the enclosed postage-paid reply envelope. This will ensure the presence of a quorum at the Annual Meeting and will save the Company the expense of additional solicitation. Submitting your proxy will not prevent you from voting your shares in person at the Annual Meeting if you desire to do so. Your proxy is revocable at your option in the manner described in the Proxy Statement.

---

**IMPORTANT NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE  
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 31, 2017**

The proxy materials for this Annual Meeting, which consist of the Proxy Statement, annual report, and form of proxy, are available over the Internet at [www.voteproxy.com](http://www.voteproxy.com).

If you would like to vote in person at the Annual Meeting and would like to obtain directions to the Annual Meeting, please contact Investor Relations, Pacific Premier Bancorp, Inc., 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614 at (949) 864-8000. All persons attending the Annual Meeting must present photo identification.

---

Table of Contents

**Table of Contents**

<b><u>GENERAL INFORMATION</u></b>	<b><u>1</u></b>
<b><u>Questions and Answers about these Proxy Materials and the Annual Meeting</u></b>	<b><u>1</u></b>
<b><u>INFORMATION ABOUT THE ANNUAL MEETING</u></b>	<b><u>5</u></b>
<b><u>ITEM 1. ELECTION OF DIRECTORS</u></b>	<b><u>5</u></b>
<u>Board Nominees</u>	<u>5</u>
<u>Nominated Directors</u>	<u>6</u>
<u>Executive Officers Who Are Not Serving As Directors</u>	<u>8</u>
<u>Corporate Governance</u>	<u>9</u>
<u>Committees of the Board of Directors (2016)</u>	<u>14</u>
<u>Committees of the Board of Directors (Effective April 13, 2017)</u>	<u>14</u>
<u>Principal Holders of Common Stock</u>	<u>18</u>
<u>Security Ownership of Directors and Executive Officers</u>	<u>18</u>
<u>Compensation of Non-Employee Directors</u>	<u>18</u>
<b><u>Executive Compensation Discussion &amp; Analysis</u></b>	<b><u>21</u></b>
<u>Compensation Committee Report</u>	<u>46</u>
<u>Compensation Policies and Programs and Risk Management</u>	<u>46</u>
<u>Summary Compensation Table</u>	<u>47</u>
<u>Grants of Plan-Based Awards in 2016</u>	<u>48</u>
<u>Outstanding Equity Awards</u>	<u>49</u>
<u>Exercised Options and Restricted Stock Vested in 2016</u>	<u>50</u>
<u>Pension Benefits</u>	<u>50</u>
<u>Nonqualified Deferred Compensation</u>	<u>51</u>
<u>Potential Payments Upon Termination or a Change in Control</u>	<u>51</u>
<u>Compensation of Non-Employee Directors</u>	<u>53</u>
<u>Deferred Compensation Plan</u>	<u>55</u>
<b><u>RELATED TRANSACTIONS AND OTHER MATTERS</u></b>	<b><u>59</u></b>

<u>Transactions with Certain Related Persons</u>	<u>59</u>
<u>Indebtedness of Management</u>	<u>60</u>
<b><u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	<b><u>60</u></b>
<b><u>ITEM 2. TO APPROVE, ON A NON-BINDING ADVISORY BASIS, THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS</u></b>	<b><u>60</u></b>
<b><u>ITEM 3. TO APPROVE THE AMENDMENT TO THE COMPANY'S 2012 LONG-TERM INCENTIVE PLAN</u></b>	<b><u>61</u></b>

Table of Contents

<b><u>ITEM 4. TO RATIFY THE APPOINTMENT OF CROWE HORWATH LLP AS THE COMPANY'S INDEPENDENT AUDITOR FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017</u></b>	<b><u>67</u></b>
<b><u>Fees</u></b>	<b><u>69</u></b>
<b><u>Audit Committee Pre-Approval Policies and Procedures</u></b>	<b><u>70</u></b>
<b><u>REPORT OF THE AUDIT COMMITTEE</u></b>	<b><u>70</u></b>
<b><u>ANNUAL REPORT</u></b>	<b><u>71</u></b>
<b><u>HOUSEHOLDING</u></b>	<b><u>71</u></b>
<b><u>STOCKHOLDER PROPOSALS FOR THE 2018 ANNUAL MEETING</u></b>	<b><u>71</u></b>
<b><u>OTHER MATTERS</u></b>	<b><u>72</u></b>
<b><u>Appendix A Amendment to Pacific Premier Bancorp, Inc. Amended and Restated 2012 Long-Term Incentive Plan</u></b>	<b><u>A-1</u></b>



Table of Contents

**PACIFIC PREMIER BANCORP, INC.**

17901 Von Karman Avenue, Suite 1200  
Irvine, California 92614

---

**PROXY STATEMENT**

**GENERAL INFORMATION**  
**For the 2017 Annual Meeting of Stockholders**  
**To Be Held on Tuesday, May 31, 2017**

Our Board of Directors is soliciting proxies to be voted at our 2017 Annual Meeting of Stockholders ("Annual Meeting") on May 31, 2017, at 9:00 a.m., Pacific Time, for the purposes set forth in the attached Notice of Annual Meeting of Stockholders (the "Notice") and in this Proxy Statement. This Proxy Statement and the proxies solicited hereby are being first sent or delivered to stockholders of the Company on or about April 10, 2017.

As used in this Proxy Statement, the terms "Company," "we," "us" and "our" refer to Pacific Premier Bancorp, Inc., the term "Bank" refers to Pacific Premier Bank and the terms "Board of Directors" and "Board" refers to the Board of Directors of the Company.

---

**Questions and Answers about these Proxy Materials and the Annual Meeting**

**Question:** *Why am I receiving these materials?*

**Answer:** Our Board of Directors is providing these proxy materials to you in connection with the Annual Meeting, to be held on May 31, 2017. As a stockholder of record as of April 12, 2017 (the "Record Date"), you are invited to attend the Annual Meeting, and are entitled to and requested to vote on the items of business described in this Proxy Statement.

**Question:** *What information is contained in this Proxy Statement?*

**Answer:** This information relates to the proposals to be voted on at the Annual Meeting, the voting process, compensation of our directors and most highly paid executives, and certain other required information.

**Question:** *Can I access the Company's proxy materials and annual report electronically?*

**Answer:** Yes. The Proxy Statement, form of proxy and annual report are available at [www.voteproxy.com](http://www.voteproxy.com). To view this material, you must have available the 12-digit control number

located on the proxy card or, if shares are held in the name of a broker, bank or other nominee, the voting instruction form.

**Question:** *Who is soliciting my vote pursuant to this Proxy Statement?*

**Answer:** Our Board of Directors is soliciting your vote at the Annual Meeting.

**Question:** *Who is entitled to vote?*

**Answer:** Only stockholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting.

**Question:** *How many shares are eligible to be voted?*

**Answer:** As of the Record Date, we had 39,814,732 shares of common stock outstanding. Each outstanding share of our common stock will entitle its holder to one vote on each of the ten (10) director nominees to be elected and one vote on each other matter to be voted on at the Annual Meeting.

Table of Contents

**Question:** *What am I voting on?*

**Answer:** You are voting on the following matters:

The election of ten (10) director nominees. Our director nominees are John J. Carona, Ayad A. Fargo, Steven R. Gardner, Joseph L. Garrett, Jeff C. Jones, Simone F. Lagomarsino, Michael J. Morris, Michael E. Pfau, Zareh H. Sarrafian, and Cora M. Tellez;

The approval, on a non-binding advisory basis, of the Company's executive compensation;

The approval of the amendment to the Pacific Premier Bancorp, Inc. Amended and Restated 2012 Long-Term Incentive Plan (the "2012 Long-Term Incentive Plan"); and

The ratification of the appointment of Crowe Horwath LLP as the Company's independent auditor for the fiscal year ending December 31, 2017.

**Question:** *How does our Board of Directors recommend that I vote?*

**Answer:** Our Board recommends that stockholders vote their shares as follows:

"FOR" each director nominee;

"FOR" the approval, on a non-binding advisory basis, of the Company's executive compensation;

"FOR" the approval of the amendment to the 2012 Long-Term Incentive Plan; and

"FOR" the ratification of the appointment of Crowe Horwath LLP as the Company's independent auditor for the fiscal year ending December 31, 2017.

**Question:** *How many votes are required to hold the Annual Meeting and what are the voting procedures?*

**Answer:** Quorum Requirement: As of the Record Date, 39,814,732 shares of the Company's common stock were issued and outstanding. A majority of the outstanding

shares entitled to vote at the Annual Meeting, present or represented by proxy, constitutes a quorum for the purpose of adopting proposals at the Annual Meeting. If you submit a properly executed proxy, then you will be considered part of the quorum.

Required Votes: Each outstanding share of our common stock is entitled to one vote on each proposal at the Annual Meeting.

If there is a quorum at the Annual Meeting, the matters to be voted upon by the stockholders require the following votes for such matter to be approved:

***Election of Directors.*** Because the election of directors to occur at the Annual meeting is not contested, the vote required for the election of each of the ten (10) director nominees by the stockholders is the affirmative vote of a majority of the votes cast in favor of or against the election of such director nominee. There is no cumulative voting for our directors. If you indicate "withhold authority to vote" for a particular nominee on your proxy card, your vote will not count either "FOR" or

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form PRE 14A

"AGAINST" the nominee. Abstentions are not counted in the election of directors and do not affect the outcome.

***Advisory Vote on Approval of Executive Compensation.*** The affirmative vote of holders of at least a majority of the shares for which votes are cast at the Annual Meeting is required to approve, on a non-binding advisory basis, the Company's executive compensation. Abstentions will not be counted as votes cast and, therefore, will not affect the outcome.

***Amendment to 2012 Long-Term Incentive Plan.*** The affirmative vote of holders of at least the majority of the shares for which votes are cast at the Annual Meeting is required for Approval of amendment to the 2012 Long-Term Incentive Plan. Abstentions will not be counted as votes cast and, therefore, will not affect the outcome.

Table of Contents

***Ratification of Independent Auditors.*** The affirmative vote of holders of at least the majority of the shares for which votes are cast at the Annual Meeting is required for ratification of the appointment of Crowe Horwath LLP as our independent auditor for the fiscal year ending December 31, 2017. Abstentions will not be counted as votes cast and, therefore, will not affect the outcome.

If a broker indicates on its proxy that it submits to the Company that it does not have authority to vote certain shares held in "street name," the shares not voted are referred to as "broker non-votes." Broker non-votes occur when brokers do not have discretionary voting authority to vote certain shares held in "street name" on particular proposals under the rules of the New York Stock Exchange, and the "beneficial owner" of those shares has not instructed the broker how to vote on those proposals. If you are a beneficial owner and you do not provide instructions to your broker, bank or other nominee, your broker, bank or other nominee is permitted to vote your shares for or against "routine" matters such as Item 4 the ratification of the appointment of our independent registered public accounting firm. Brokers are not permitted to exercise discretionary voting authority to vote your shares for or against "non-routine" matters. All of the matters on which stockholders will be asked to vote on at the Annual Meeting, with the exception of Item 4, Ratification of Independent Auditors, are "non-routine" matters.

Shares represented by proxies that are marked vote "withheld" with respect to the election of any nominee for director will not be considered in determining whether such nominee has received the affirmative vote of a plurality of the shares.

**Question:** *How may I cast my vote?*

**Answer:** If you are the stockholder of record, you may vote by one of the following four methods (as instructed on the enclosed proxy card):

in person at the Annual Meeting;

via the Internet;

by telephone; or

by mail.

If you would like to vote in person at the Annual Meeting and would like to obtain directions to the Annual Meeting please contact Investor Relations, Pacific Premier Bancorp, Inc., 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614 at (949) 864-8000.

If you elect to vote by mail and you received a printed proxy card, you may mark, sign, date and mail the proxy card you received from us in the return envelope. If you did not receive a printed proxy card and wish to vote by mail, you may do so by requesting a paper copy of the proxy materials (as described below), which will include a proxy card.

Whichever method of voting you use, the proxies identified on the proxy card will vote the shares of which you are the stockholder of record in accordance with your instructions. If you submit a proxy card properly voted and returned through available channels without giving specific voting instructions, the proxies will vote the shares as recommended by our Board of Directors.

If you own your shares in "street name," that is, through a brokerage account or in another nominee form, you must provide instructions to the broker or nominee as to how your shares should be voted. Your broker or nominee will usually provide you with the appropriate instruction forms at the time you receive this Proxy Statement and our annual report. If you own your shares in this manner, you cannot vote in person at the Annual Meeting unless you receive a proxy to do so from the broker or the nominee, and you bring the proxy to our Annual Meeting.

**Question:** *How may I cast my vote over the Internet or by telephone?*

**Answer:** **Voting over the Internet:** If you are a stockholder of record, you may use the Internet to transmit your vote up until 11:59 P.M., Eastern Time, May 30, 2017. Visit [www.voteproxy.com](http://www.voteproxy.com) and have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

**Voting by Telephone:** If you are a stockholder of record, you may call 1-800-776-9437 and use any touch-tone telephone to transmit your vote up until 11:59 P.M., Eastern Time, May 30, 2017. Have your proxy card in hand when you call and then follow the instructions.



## Edgar Filing: PACIFIC PREMIER BANCORP INC - Form PRE 14A

### Table of Contents

If you hold your shares in "street name," that is through a broker, bank or other nominee, that institution will instruct you as to how your shares may be voted by proxy, including whether telephone or Internet voting options are available.

**Question:** *How may a stockholder nominate someone at the Annual Meeting to be a director or bring any other business before the Annual Meeting?*

**Answer:** The Company's Amended and Restated Bylaws (the "Bylaws") require advance notice to the Company if a stockholder intends to attend an annual meeting of stockholders in person and to nominate someone for election as a director or to bring other business before the meeting. Such a notice may be made only by a stockholder of record within the time period established in the Bylaws and described in each year's Proxy Statement. See "Stockholder Proposals for the 2018 Annual Meeting" beginning on page 71.

**Question:** *How may I revoke or change my vote?*

**Answer:** If you are the record owner of your shares, and you completed and submitted the proxy card, you may revoke your proxy at any time before it is voted at the Annual Meeting by:

submitting a new proxy card with a later date,

delivering written notice to our Secretary on or before May 30, 2017, stating that you are revoking your proxy,

attending the Annual Meeting and voting your shares in person, or

If you are a record owner of your shares and you submitted your proxy by telephone or via the Internet, you may change your vote or revoke your proxy with a later telephone or Internet proxy, as the case may be.

Please note that attendance at the Annual Meeting will not, in itself, constitute revocation of your proxy.

If you own your shares in "street name," you may later revoke your voting instructions by informing the bank, broker or other holder of record in accordance with that entity's procedures.

**Question:** *Who is paying for the costs of this proxy solicitation?*

**Answer:** The Company will bear the cost of preparing, printing and mailing the materials in connection with this solicitation of proxies. In addition to mailing these materials, officers and regular employees of the Company may, without being additionally compensated, solicit proxies personally and by mail, telephone, facsimile or electronic communication. We have retained DF King & Co., Inc. to assist in the solicitation at a cost of approximately \$8,500.00, plus payment of reasonable out-of-pocket expenses incurred by DF King & Co., Inc.

**Question:** *Who will count the votes?*

**Answer:** American Stock Transfer & Trust Company, LLC ("AST") will receive and tabulate the ballots and voting instruction forms.

**Question:** *How can I obtain the Company's Corporate Governance information?*

**Answer:** Our Corporate Governance information is available on our website at [www.ppbi.com](http://www.ppbi.com) under the Investor Relations section. Our stockholders may also obtain written copies at no cost by writing to us at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614, Attention: Investor Relations Department, or by calling (949) 864-8000.

**Question:** *How do I request electronic or printed copies of this and future proxy materials?*

**Answer:** You may request and consent to delivery of electronic or printed copies of future proxy statements, annual reports and other stockholder communications by

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form PRE 14A

visiting [www.voteproxy.com](http://www.voteproxy.com),

calling 1-800-579-1639, or

sending an email to [sendmaterial@voteproxy.com](mailto:sendmaterial@voteproxy.com).

When requesting copies of proxy materials and other stockholder communications, you should have available the 12-digit control number located on the proxy card or, if shares are held in the name of a broker, bank or other nominee, the voting instruction form.



Table of Contents

## INFORMATION ABOUT THE ANNUAL MEETING

Our Annual Meeting will be held at 9:00 a.m., Pacific Time, on Tuesday, May 31, 2017, at our corporate headquarters located at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614.

---

### ITEM 1. ELECTION OF DIRECTORS

#### Board Nominees

Our Board of Directors (the "Board") has nominated each of the following persons for re-election as a director. Under our Amended and Restated Bylaws (our "Bylaws"), directors are elected by the stockholders each year at the annual meeting of stockholders and shall hold office until the next annual meeting or until their successors are elected and qualified. Each nominee is currently a director of the Company and each has indicated that he or she is willing and able to continue to serve as a director. We have provided biographical and other information on each of the nominees beginning on page 6 of this Proxy Statement.

**John J. Carona**  
**Steven R. Gardner**  
**Jeff C. Jones**  
**Michael J. Morris**  
**Zareh H. Sarrafian**

**Ayad A. Fargo**  
**Joseph L. Garrett**  
**Simone F. Lagomarsino**  
**Michael E. Pfau**  
**Cora M. Tellez**

#### Vote Required

Because the election of directors to occur at the Annual Meeting is not contested, the vote required for the election of each of the ten (10) director nominees by the stockholders is the affirmative vote of a majority of the votes cast in favor of or against the election of such director nominee. If the election of directors were a contested election, which it is not, director nominees would be elected by a plurality of the votes cast at a meeting of stockholders by the holders of shares entitled to vote in the election. There is no cumulative voting for our directors. If you indicate "withhold" for a particular nominee on your proxy card, your vote will not be considered in determining whether a nominee has received the affirmative vote of a majority of the votes cast in an uncontested election and a plurality of the votes cast in a contested election. The election of directors is considered a "non-routine" item upon which brokerage firms may not vote in their discretion on behalf of their clients if such clients have not furnished voting instructions. Therefore, broker "non-votes" will not be considered in determining whether a nominee has received the affirmative vote of a majority of the shares in an uncontested election and a plurality of the shares in a contested election.

If any nominee becomes unable or unwilling to serve, which is not anticipated, the accompanying proxy may be voted for the election of such other person as shall be designated by the Nominating and Corporate Governance Committee (the "Nominating Committee") of our Board of Directors. Proxies granted may not be voted for a greater number of nominees than the ten (10) named above. Unless instructions to the contrary are specified in a proxy properly voted and returned through available channels, the proxies will be voted **FOR** each of the nominees listed above.

#### Recommendation of the Board of Directors

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS  
VOTE "FOR" EACH OF THE DIRECTOR NOMINEES.**

Table of Contents

**Nominated Directors**

Below is information regarding each of our director nominees, each of whom has been nominated for re-election at the Annual Meeting.

**John J. Carona, 61**, has served as a member of the Board and the Bank's board of directors (the "Bank Board") since 2013, when he was appointed to the Board and the Bank Board in connection with the Company's acquisition of First Associations Bank ("FAB"). Mr. Carona served as a director of FAB since its inception in 2007. Mr. Carona is the President and Chief Executive Officer of Associa Inc. ("Associa"). Mr. Carona was a six term Senator in the State of Texas from 1990 to 2014, where he represented District 16 in Dallas County. Previously, Mr. Carona was elected to three terms in the Texas House of Representatives. Mr. Carona served as Chairman of the Senate Business and Commerce Committee, Joint Chairman of the Legislative Oversight Board on Windstorm Insurance and as Co-Chairman of the Joint Interim Committee to Study Seacoast Territory Insurance. He also served as a member of the Senate Select Committee on Redistricting and the Senate Criminal Justice, Education and Jurisprudence committees. Previously, he served as Chairman of the Senate Transportation and Homeland Security Committee. Senator Carona received a Bachelor of Business Administration degree in insurance and real estate from the University of Texas at Austin in 1978.

**Ayad A. Fargo, 56**, was appointed to the Board and the Bank Board on January 31, 2016, in connection with the Company's acquisition of Security California Bancorp ("SCAF") and its banking subsidiary Security Bank of California ("SBC"). Mr. Fargo has served as the President of Biscomerica Corporation, a food manufacturing company based in Rialto, California, since 1984. Prior to joining the Board and the Bank Board, Mr. Fargo served as a director of SCAF and SCB since 2005. Mr. Fargo received his B.S. from Walla Walla University.

**Steven R. Gardner, 56**, has been President, Chief Executive Officer and a director of the Company and Bank since 2000, and became Chairman of the Board in May 2016. Prior to joining the Company he was an executive of Hawthorne Financial since 1997 responsible for credit administration and portfolio management. He has more than 30 years of experience as a commercial banking executive. He has extensive knowledge of all facets of financial institution management, including small and middle market business banking, investment securities management, loan portfolio and credit risk management, enterprise risk management and retail banking. As the architect of both whole bank and FDIC assisted acquisitions as well as the acquisition of a nationwide specialty finance firm, Mr. Gardner has significant experience in successfully acquiring and integrating financial institutions. Mr. Gardner currently serves on the Boards of Directors of the Federal Reserve Bank of San Francisco and the Federal Home Loan Bank of San Francisco, and he served as the former Chairman of the Finance Committee of the Federal Home Loan Bank of San Francisco. Mr. Gardner previously served as the Vice Chairman of the Federal Reserve Bank of San Francisco's Community Depository Institutions Advisory Council, a Director and a member of the Executive Committee of the Independent Community Bankers of America ("ICBA"), a director of ICBA Holding Company and ICBA Securities, a registered broker-dealer. Additionally, Mr. Gardner served as the former President and Chairman of the California Independent Bankers. Mr. Gardner holds a B.A. from California State University, Fullerton.

**Joseph L. Garrett, 68**, has served as a member of the Board and Bank Board since 2012. Mr. Garrett was the President, Chief Executive Officer, a member and chairman of the Board of Directors for both American Liberty Bank and Sequoia National Bank. He also served as a member of the Board of Directors for Hamilton Savings Bank. Since 2003, Mr. Garrett has been a principal at Garrett, McAuley & Co., which provides mortgage banking advisory services to commercial banks, thrifts, and mortgage banking companies. He served on the California State Controller's Advisory Commission on Public Employee Retirement Systems and currently serves on the National Advisory Council for the Institute of Governmental Studies at the University of California (Berkeley).

Table of Contents

Mr. Garrett received his A.B. and M.B.A. from the University of California (Berkeley) and his M.A. from the University of Washington (Seattle).

**Jeff C. Jones, 62**, has served as a member of the Board and Bank Board since 2006, and was Chairman of the Board from August 2012 to May 2016. Mr. Jones is the current Managing Partner and current Executive Committee member of, and partner in, the regional accounting firm Frazer, LLP, which he has been with since 1977. Mr. Jones has over 30 years of experience in servicing small and medium sized business clients primarily within the real estate, construction, and agricultural industries. Mr. Jones is a past president of Inland Exchange, Inc., an accommodator corporation, and has served on the Board of Directors of Moore Stephens North America, Inc. Mr. Jones holds a B.S. degree in Business Administration from Lewis and Clark College in Portland, Oregon, and a Masters of Business Taxation from Golden Gate University. Mr. Jones is a CPA in California, is licensed as a life insurance agent and holds a Series 7 securities license.

**Simone F. Lagomarsino, 55**, was appointed as a director of the Company and the Bank effective as April 1, 2017, in connection with the Company's acquisition by merger of Heritage Oaks Bancorp (NASDAQ: HEOP) ("HEOP") and its wholly-owned subsidiary, Heritage Oaks Bank, which had approximately \$2 billion of consolidated total assets on the date of acquisition. Ms. Lagomarsino was appointed as the President and Chief Executive Officer of the California Bankers Association in April 2017. In addition, Ms. Lagomarsino has served on the board of directors of the Federal Home Loan Bank of San Francisco since 2013, where she has served as Chair of the Audit Committee since 2015 and served as Vice Chair of the Audit Committee in 2014. Prior to joining the Company's and the Bank's boards of directors, Ms. Lagomarsino was a director, President and Chief Executive Officer of HEOP, and Chief Executive Officer of Heritage Oaks Bank, beginning on September 10, 2011. She was appointed President of Heritage Oaks Bank in January 2012 and served in that position until January 2015. Ms. Lagomarsino, a financial services professional, has over 30 years of experience in executive leadership positions in the financial services industry, including serving in such capacities as President and Chief Executive Officer of Hawthorne Financial Corporation (NASDAQ: HTHR) and Chief Financial Officer of Ventura County National Bank (NASDAQ: VCNB). Ms. Lagomarsino previously served on the boards of directors of the Alzheimer's Association's California Central Coast Chapter, Sierra Vista Regional Medical Center, and the Foundation for the Performing Arts Center of San Luis Obispo, and is the majority owner of Vino Al Lago LLC. Ms. Lagomarsino received her B.A. from Claremont McKenna College and her M.B.A. from Claremont Graduate School. Ms. Lagomarsino's extensive background in banking, including her experience as a Chief Executive Officer and Chief Financial Officer of publicly-traded financial institutions, enables her to provide valuable perspective to the Board.

**Michael J. Morris, 71**, was appointed as a director of the Company and of the Bank effective April 1, 2017, in connection with the Company's acquisition of HEOP and its subsidiary Heritage Oaks Bank. Mr. Morris is an attorney and serves as Chairman of the Board of the law firm of Andre, Morris & Buttery. He has been a member of the Board of Directors of NioCorp, a publicly held company traded on the Toronto Stock Exchange, since 2014. He has served as a member and chairman of various non-profit boards of directors. He has practiced law in California for over 40 years, during which he has represented a broad array of corporate and individual clients. Prior to joining the Board and the Bank Board, Mr. Morris was a director of HEOP and of Heritage Oaks Bank beginning in January of 2001 and served as the Chairman of HEOP and Heritage Oaks Bank beginning on May 24, 2007. The inclusion of Mr. Morris as a director provides the Board with a unique understanding of a broad range of legal and regulatory matters in its oversight of the Company. Furthermore, his extensive knowledge of local markets and the communities served by the Company gives him unique insights into the Company's lending challenges and opportunities. Mr. Morris received his B.A. from Georgetown University and his J.D. from the University of San Francisco School of Law.

Table of Contents

**Michael E. Pfau, 63**, was appointed as a director of the Company and the Bank effective April 1, 2017, in connection with the Company's acquisition of HEOP and its subsidiary Heritage Oaks Bank. Mr. Pfau was a founding director for Business First National Bank in 2001. With the acquisition of Business First National Bank by HEOP, he was appointed to the Board of HEOP and Heritage Oaks Bank in October 2007. Mr. Pfau is the founding partner of the law firm Reicker, Pfau, Pyle & McRoy LLP, in Santa Barbara. His law practice focuses upon the representation of emerging-growth technology companies, institutional real estate investors, and high net worth individuals. His transactional experience includes the representation of parties involved with public and private securities offerings, initial public offerings, and asset-purchase, merger, and stock-for-stock merger and acquisition transactions, as well as sophisticated real estate purchase and lease transactions. He has served as a member and chairman of various non-profit boards. Mr. Pfau's expertise in complex business transactions and knowledge of the Santa Barbara market, as well as his extensive legal experience, enhance his ability to contribute to the Company as a director. Mr. Pfau received his B.A. from the University of Cincinnati, his J.D. from the Boston College Law School and his LL.M. from Georgetown University Law Center.

**Zareh H. Sarrafian, 53**, was appointed to the Board and Bank Board on January 31, 2016, in connection with the Company's acquisition of SCAF and its subsidiary SCB. Mr. Sarrafian has served as the Chief Executive Officer of Riverside County Regional Medical Center in Riverside, California since 2014. Prior to that, Mr. Sarrafian served as Chief Administrative Officer at Loma Linda Medical Center in Loma Linda, California since 1998. Prior to joining the Company's and the Bank's boards of directors, Mr. Sarrafian served as a director of SCAF and SBC since 2005. Mr. Sarrafian received his B.S. from California State Polytechnic University, Pomona, and his M.B.A. from California State University, San Bernardino.

**Cora M. Tellez, 67**, has served as a member of the Board and Bank Board since October 2015. Ms. Tellez has served as the Chief Executive Officer and President of both Sterling Health Services Administration, Inc. and Sterling Self Insurance Administration since founding the companies in 2003 and 2010, respectively. Ms. Tellez previously served as the President of the health plans division of Health Net, Inc., an insurance provider that operated in seven states. She also has served as President of Prudential's western healthcare operations, Chief Executive Officer of Blue Shield of California, Bay Region, and Regional Manager for Kaiser Permanente of Hawaii. Ms. Tellez serves on the boards of directors of HMS Holdings, Inc., (NASDAQ:HMSY) ("HMS") and CorMedix (NYSE:CRMD). For HMS, Ms. Tellez chairs the Nominating and Governance Committee and serves on the Audit and Compensation Committees. For CorMedix, Ms. Tellez chairs the board of directors and serves on the Audit and Nominating and Governance Committees. She also serves on several nonprofit organizations such as the Institute for Medical Quality and UC San Diego's Center for Integrative Medicine. Ms. Tellez received her B.A. from Mills College and her M.S. in public administration from California State University, Hayward.

### **Executive Officers Who Are Not Serving As Directors**

Below is information regarding each of our executive officers who are not directors of the Company or Bank, including their title, age, date they became an officer of the Company or the Bank, as the case may be, and a brief biography describing each executive officer's business experience.

**Edward Wilcox, 50**, President and Chief Banking Officer of the Bank, was hired in August 2003 as the Bank's Senior Vice President and Chief Credit Officer. In September 2004, Mr. Wilcox was promoted to Executive Vice President and was responsible for overseeing loan and deposit production. In the fourth quarter of 2005, Mr. Wilcox was promoted to Chief Banking Officer and assumed responsibility of the branch network. In March 2014, Mr. Wilcox was promoted to Chief Operating Officer of the Bank. In April 2015, Mr. Wilcox was promoted to Senior Executive Vice President and Chief Banking Officer and served in that role until his appointment as President and Chief Banking

Table of Contents

Officer in May 2016. Prior to joining the Bank, Mr. Wilcox served as Loan Production Manager at Hawthorne Savings for two years and as the Secondary Marketing Manager at First Fidelity Investment & Loan for five years. Mr. Wilcox has an additional nine years of experience in real estate banking, including positions as Asset Manager, REO Manager and Real Estate Analyst at various financial institutions. Mr. Wilcox obtained his B.A. degree in Finance from New Mexico State University.

**Ronald J. Nicolas, Jr., 58**, Senior Executive Vice President/Chief Financial Officer of the Company and the Bank, was hired in May 2016. Mr. Nicolas serves as Chairman of the Bank's Asset Liability Committee. Prior to joining the Company and Bank, Mr. Nicolas served as Executive Vice President and Chief Financial Officer at each of: Banc of California (2012-2016); Carrington Holding Company, LLC (2009-2012); Residential Credit Holdings, LLC (2008-2009); Fremont Investment and Loan (2005-2008); and Aames Investment/Financial Corp. (2001-2005). Earlier in his career, Mr. Nicolas served in various capacities with KeyCorp, a \$60-billion financial institution, including Executive Vice President Group Finance of KeyCorp (1998-2001), Executive Vice President, Treasurer and Chief Financial Officer of KeyBank USA (1994-1998), and Vice President of Corporate Treasury (1993-1994). Before joining KeyCorp, he spent eight years at HSBC-Marine Midland Banks in a variety of financial and accounting roles. Mr. Nicolas obtained his B.S. degree in Finance and his Masters in Business Administration from Canisius College.

**Michael S. Karr, 48**, Senior Executive Vice President/Chief Credit Officer of the Bank, was hired in April 2006. Mr. Karr oversees the Bank's credit functions and has responsibility for all lending and portfolio operations. He is the Chairman of the Bank's Management Credit Committee and its Credit and Portfolio Review Committee. Prior to joining the Bank, Mr. Karr worked for Fremont Investment & Loan for 11 years as Vice President in charge of their Commercial Real Estate Asset Management department. Mr. Karr obtained his B.A. degree in Economics and Government, cum laude, from Claremont McKenna College and his Masters in Business Administration from the University of California, Irvine.

**Thomas Rice, 45**, Senior Executive Vice President/Chief Operating Officer of the Bank, was hired November 2008 as the Bank's Senior Vice President and Chief Information Officer. Mr. Rice has overseen the technology and security functions since 2008 and led the smooth systems conversions and integrations of the last seven acquisitions. Mr. Rice was appointed Executive Vice President and Chief Operating Officer of the Bank in April 2015 and assumed responsibility for operations of the Bank. Prior to joining the Bank, Mr. Rice was a founding partner at Compushare where he oversaw the company's expansion and several system conversions of his banking clients. Mr. Rice obtained his B.S. degree in Computer Information Systems from DeVry University.

## Corporate Governance

We value strong corporate governance principles and adhere to the highest ethical standards. These principles and standards, along with our core values of fairness and caring, assist us in achieving our corporate mission. To foster strong corporate governance and business ethics, our Board of Directors continues to take many steps to strengthen and enhance our corporate governance practices and principles. To that end, we have adopted Corporate Governance Guidelines to achieve the following goals:

to promote the effective functioning of the Board of Directors;

to ensure that the Company conducts all of its business in accordance with the highest ethical and legal standards; and

to enhance long-term stockholder value.

The full text of our Corporate Governance Guidelines is available within our Corporate Governance Policy which is on our website at [www.ppbi.com](http://www.ppbi.com) under the Investor Relations section. Our stockholders may also obtain a written copy of the guidelines at no cost by writing to us at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614, Attention: Investor Relations Department, or by calling (949) 864-8000.

Table of Contents

The Nominating Committee of our Board of Directors administers our Corporate Governance Guidelines, reviews performance under the guidelines and the content of the guidelines annually and, when appropriate, recommends updates and revisions to our Board of Directors.

**Director Qualifications, Diversity and Nomination Process**

Our Nominating Committee is responsible for reviewing with the Board of Directors annually the appropriate skills and characteristics required of the Board members, and for selecting, evaluating and recommending nominees for election by our stockholders. The Nominating Committee has authority to retain a third-party search firm to identify or evaluate, or assist in identifying and evaluating, potential nominees if it so desires, although it has not done so to date.

In evaluating both the current directors and the nominees for director, the Nominating Committee considers such other relevant factors, as it deems appropriate, including the current composition of the Board, the need for Audit Committee expertise, and the director qualification guidelines set forth in the Company's Corporate Governance Policy. Under the Company's Corporate Governance Policy, the factors considered by the Nominating Committee and the Board in its review of potential nominees and directors include: integrity and independence; substantial accomplishments, and prior or current association with institutions noted for their excellence; demonstrated leadership ability, with broad experience, diverse perspectives, and the ability to exercise sound business judgment; the background and experience of candidates, particularly in areas important to the operation of the Company such as business, education, finance, government, law or banking; the ability to make a significant and immediate contribution to the Board's discussions and decision-making; special skills, expertise or background that add to and complement the range of skills, expertise and background of the existing directors; career success that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make; and the availability and energy necessary to perform his or her duties as a director. In addition, the Nominating Committee and the Board believes the composition of the Board should reflect sensitivity to the need for diversity as to gender, ethnic background and experience. Application of these factors involves the exercise of judgment by the Board and cannot be measured in any mathematical or routine way.

In connection with the evaluation of nominees, the Nominating Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Nominating Committee, in concert with the Company's Chief Executive Officer ("CEO"), interviews prospective nominees. After completing its evaluation, the Nominating Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Nominating Committee.

For each of the nominees to the Board and the current directors, the biographies shown above highlight the experiences and qualifications that were among the most important to the Nominating Committee in concluding that the nominee or the director should serve or continue to serve as a director of the Company. The table below supplements the biographical information provided above.

Table of Contents

The vertical axis displays the primary factors reviewed by the Nominating Committee in evaluating a board candidate.

**Carona Fargo Gardner Garrett Jones Lagomarsino Morris Pfau Sarraffian Tellez**

<b>Experience, Qualifications, Skill or Attribute</b>										
Professional standing in chosen field	X	X	X	X	X	X	X	X	X	X
Expertise in financial services or related industry	X		X	X	X	X	X	X	X	X
Audit Committee Financial Expert (actual or potential)			X	X	X	X	X			X
Civic and community involvement	X	X	X	X	X	X	X	X	X	X
Other public company experience		X	X			X	X	X	X	X
Leadership and team building skills	X	X	X	X	X	X	X	X	X	X
Specific skills/knowledge:										
finance	X	X	X	X	X	X	X	X	X	X
marketing	X		X			X				
public affairs	X			X						
human resources	X		X			X				
governance	X	X	X	X	X	X	X	X	X	X

Our stockholders may propose director candidates for consideration by the Nominating Committee by submitting the individual's name and qualifications to our Corporate Secretary at 17901 Von Karman Avenue, Suite 1200, Irvine, CA 92614. Our Nominating Committee will consider all director candidates properly submitted by our stockholders in accordance with our Bylaws and Corporate Governance Guidelines.

### **Board of Directors Independence**

The Boards of Directors of the Company and the Bank currently have ten (10) members serving, all of whom are elected annually and will continue to serve until their successors are elected and qualified. Our Corporate Governance Guidelines require that our Board of Directors consist predominantly of directors who are not currently, and have not been, employed by us during the most recent three years (i.e. non-management directors). Currently, the Company's Chairman, President and CEO, Mr. Gardner, is the only director who is also a member of management.

In addition, our Corporate Governance Guidelines require that a majority of the Board of Directors consist of "independent directors" as defined under the NASDAQ Stock Market rules. No director will be "independent" unless the Board of Directors affirmatively determines that the director meets the categorical standards set forth in the NASDAQ rules and otherwise has no relationship with the Company that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and has no material relationship with the Company, either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company. In addition, the Board of Directors considers the director independence guidelines established by institutional shareholder advisory services. The Board of Directors balances those guidelines with the independence standards established by the NASDAQ Stock Market rules and other important qualitative factors identified by the Board of Directors when evaluating whether an individual who otherwise satisfies the independence standards set forth in the NASDAQ Stock Market rules also should be considered sufficiently independent for service on the Audit, Compensation and Nominating Committees.

The Nominating Committee is responsible for the annual review, together with the Board of Directors, of the appropriate criteria and standards for determining director independence consistent with the NASDAQ Stock Market rules. The Board of Directors has determined that Ayad A. Fargo, Joseph L. Garrett, Jeff C. Jones, Simone Lagomarsino, Michael Morris, Michael Pfau, Zareh H.

Table of Contents

Sarrafián, and Cora M. Tellez are independent under the NASDAQ Stock Market Rules and have no material relationships with the Company.

**Responsibilities of the Board of Directors**

In addition to each director's basic duties of care and loyalty, the Board of Directors has separate and specific obligations enumerated in our Corporate Governance Guidelines. Among other things, these obligations require directors to effectively monitor management's capabilities, compensation, leadership and performance, without undermining management's ability to successfully operate the business. In addition, our Board and its committees have the authority to retain and establish the fees of outside legal, accounting or other advisors, as necessary to carry out their responsibilities.

The directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict. As a result, our directors must disclose all business relationships with the Company and with any other person doing business with us to the entire Board and to recuse themselves from discussions and decisions affecting those relationships. We periodically solicit information from directors in order to monitor potential conflicts of interest and to confirm director independence.

**Board of Directors Leadership Structure**

Our Bylaws provide for a Board of Directors that will serve for one-year terms. The size of the Board shall be designated by the Board, but shall be seven (7) in the absence of such designation. Vacancies on the Board may be filled by a majority of the remaining directors. A director elected to fill a vacancy, or a new directorship created by an increase in the size of the Board, serves for a term expiring at the next annual meeting of stockholders.

Our Board of Directors has no fixed policy with respect to the separation of the offices of Chairman of the Board of Directors and CEO. Our Board retains the discretion to make this determination on a case-by-case basis from time to time as it deems to be in the best interests of the Company and our stockholders at any given time. The offices of Chairman of the Board of Directors and CEO currently are jointly held. The Board has designated a lead independent director to ensure independent director oversight of the Company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board.

**Board of Directors Risk Oversight**

The understanding, identification and management of risk are essential elements for the successful management of our Company. The entire Board of Directors is responsible for oversight of the Company's risk management processes. The Board delegates many of these functions to the Audit Committee. Under its charter, the Audit Committee is responsible for monitoring business risk practices and legal and ethical programs. In this way, the Audit Committee helps the Board fulfill its risk oversight responsibilities relating to the Company's financial statements, financial reporting process and regulatory requirements. The Audit Committee also oversees our corporate compliance programs, as well as the internal audit function. In addition to the Audit Committee's work in overseeing risk management, our full Board regularly engages in discussions of the most significant risks that the Company is facing and how these risks are being managed, and the board receives reports on risk management from senior officers of the Company and from the chair of the Audit Committee. The Board receives periodic assessments from the Company's ongoing enterprise risk management process that are designed to identify potential events that may affect the achievement of the Company's objectives. In addition, our Board and its standing committees periodically request supplemental information or reports as they deem appropriate.



Table of Contents

**Communication With Directors**

Individuals may submit communications to any individual director, including our presiding Chairman, our Board as a group, or a specified Board committee or group of directors, including our non-management directors, by sending the communications in writing to the following address: Pacific Premier Bancorp, Inc., 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614. All correspondence should indicate to whom it is addressed. The Company's Corporate Secretary will sort the Board correspondence to classify it based on the following categories into which it falls: stockholder correspondence, commercial correspondence, regulatory correspondence or customer correspondence. Each classification of correspondence will be handled in accordance with a policy unanimously approved by the Board.

**Board Meetings and Executive Sessions**

During 2016, our Board of Directors met nine times and anticipates holding ten full Board meetings in 2017. Directors, on average, attended approximately 98% of the Board and applicable Board committee meetings during 2016. All of our directors are encouraged to attend each meeting in person. Our management provides all directors with an agenda and appropriate written materials sufficiently in advance of the meetings to permit meaningful review. Any director may submit topics or request changes to the preliminary agenda as he or she deems appropriate in order to ensure that the interests and needs of non-management directors are appropriately addressed. To ensure active and effective participation, all of our directors are expected to arrive at each Board and committee meeting having reviewed and analyzed the materials for the meeting.

It is the Company's policy that the independent directors of the Company meet in executive sessions without management at least twice on an annual basis in conjunction with regularly scheduled board meetings. Executive sessions at which the independent directors meet with the CEO also may be scheduled. During 2016, the independent directors met seven times in executive session without the presence of management.

**Director Attendance at Company Annual Meetings**

All of our directors are encouraged to attend every Company annual meeting of stockholders. All of our directors attended our 2016 Annual Meeting of Stockholders.

**Director Contact with Management**

All of our directors are invited to contact our Chief Executive Officer and or any of our executive or senior level managers at any time to discuss any aspect of our business. In addition, there generally are frequent opportunities for directors to meet with other members of our management team.

**Corporate Code of Business Conduct and Ethics**

We have implemented a Code of Business Conduct and Ethics applicable to our directors, CEO, Chief Financial Officer ("CFO"), other senior management, and to all of our officers and employees. Our Code of Business Conduct and Ethics provides fundamental ethical principles to which these individuals are expected to adhere. Our Code of Business Conduct and Ethics operates as a tool to help our directors, officers, and employees understand and adhere to the high ethical standards required for employment by, or association with, the Company and the Bank. Our Code of Business Conduct and Ethics is available on our website at [www.ppbi.com](http://www.ppbi.com) under the Investor Relations section. Our stockholders may also obtain written copies at no cost by writing to us at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614, Attention: Investor Relations Department, or by

Table of Contents

calling (949) 864-8000. Any future changes or amendments to our Code of Business Conduct and Ethics and any waiver that applies to one of our senior financial officers or a member of our Board of Directors will be posted to our website.

The table below sets forth the membership of our Audit Committee, Compensation Committee, Nominating & Corporate Governance Committee, and Executive Committee during the year ended December 31, 2016.

**Committees of the Board of Directors (2016)**

<b>Audit</b>	<b>Compensation</b>	<b>Nominating &amp; Corporate Governance</b>	<b>Executive Committee</b>
Kenneth A. Boudreau	Ayad Fargo	Kenneth A. Boudreau	Steve Gardner *
Joseph Garrett	Joseph Garrett *	Jeff C. Jones *	Joseph Garrett
Jeff C. Jones	John D. Goddard	Zareh Sarrafian	Jeff C. Jones
Michael L. McKennon *	Jeff C. Jones	Michael L. McKennon	Michael L. McKennon
Cora Tellez	Cora Tellez		Zareh Sarrafian
10 meetings held in 2016	4 meetings held in 2016	1 meeting held in 2016	No meetings held in 2016

\*

Chairperson

Set forth below is the membership of our Audit Committee, Compensation Committee, Nominating & Corporate Governance Committee, and Executive Committee effective April 13, 2017.

**Committees of the Board of Directors (Effective April 13, 2017)**

<b>Audit</b>	<b>Compensation</b>	<b>Nominating &amp; Corporate Governance</b>	<b>Executive Committee</b>
Joseph Garrett	Ayad Fargo	Jeff C. Jones *	Steve Gardner *
Jeff C. Jones	Joseph Garrett *	Simone Lagomarsino	Joseph Garrett
Simone Lagomarsino *	Jeff C. Jones	Michael Pfau	Jeff C. Jones
Michael Morris	Michael Pfau	Zareh Sarrafian	Zareh Sarrafian
Cora Tellez	Cora Tellez		

\*

Chairperson

A description of the general functions of each of the Company's Board committees and the composition of each committee is set forth below.

**Audit Committee.** The Audit Committee is responsible for selecting and communicating with the Company's independent auditors, reporting to the Board on the general financial condition of the Company and the results of the annual audit, and ensuring that the Company's activities are being conducted in accordance with applicable laws and regulations. The internal auditor of the Bank participates in the Audit Committee meetings. A copy of the Audit Committee charter can be found on the Company's website at [www.ppbi.com](http://www.ppbi.com) under the Investor

Relations section.

No member of the Audit Committee receives any consulting, advisory or other compensation or fee from the Company other than fees for service as a member of the Board of Directors, committee member or officer of the Board. The Board has determined that each Audit Committee member is financially sophisticated and is "independent" under the NASDAQ listing standards and

Table of Contents

rules of the U.S. Securities and Exchange Commission (the "SEC"). The Board of Directors has determined that Ms. Lagomarsino satisfies the requirements established by the SEC for qualification as an "audit committee financial expert."

**Compensation Committee.** The Compensation Committee reviews the amount and composition of director compensation from time to time and makes recommendations to the Board when it concludes changes are needed. In recommending director compensation, the Compensation Committee considers the potential negative effect on director independence if director compensation and perquisites exceed customary levels. The Compensation Committee also (i) has oversight responsibility for the Bank's compensation policies, benefits and practices, (ii) approves all stock option, restricted stock and restricted stock unit ("RSUs") grants, (iii) has oversight responsibility for management planning and succession, and (iv) determines the annual salary, the annual bonus, stock options, and restricted stock grants of the CEO, President, Chief Banking Officer ("CBO"), CFO, Chief Credit Officer ("CCO"), and Chief Operating Officer ("COO"). Each of the Compensation Committee members is considered "independent" under the NASDAQ listing standards and rules of the U.S. Securities and Exchange Commission (the "SEC"). A copy of the Compensation Committee charter can be found on the Company's website at [www.ppbi.com](http://www.ppbi.com) under the Investor Relations section.

The Compensation Committee has the authority, in its sole discretion, to retain and terminate compensation advisors, including approval of the terms and fees of any such arrangement. In 2016, the Compensation Committee engaged Pearl Meyer & Partners ("Pearl Meyer") to assist the Compensation Committee with its responsibilities related to our executive and Board compensation programs. Pearl Meyer does not provide other services to the Company. Additionally, based on standards promulgated by the SEC and the NASDAQ to assess compensation advisor independence and the analysis conducted by Pearl Meyer in its independence review, the Compensation Committee concluded that Pearl Meyer is independent and a conflict-free advisor to the Company.

**Nominating and Corporate Governance Committee.** The Nominating and Corporate Governance Committee has oversight responsibility for nominating candidates as directors and to determine satisfaction of independence requirements. The Nominating and Corporate Governance Committee has adopted a written charter. A copy of the charter and the Company's Corporate Governance Guidelines can both be found on the Company's website at [www.ppbi.com](http://www.ppbi.com) under the Investor Relations section.

The primary responsibilities of our Nominating Committee include:

- assisting the Board in identifying and screening qualified candidates to serve as directors, including considering stockholder nominees;
- recommending to the Board candidates for election or reelection to the Board or to fill vacancies on the Board;
- aiding in attracting qualified candidates to serve on the Board;
- making recommendations to the Board concerning corporate governance principles;
- periodically assessing the effectiveness of the Board in meeting its responsibilities representing the long-term interests of the stockholders; and
- following the end of each fiscal year, providing the Board with an assessment of the Board's performance and the performance of the Board committees.

**Executive Committee.** The Executive Committee may exercise all authority of the Board in the intervals between Board meetings, except for certain matters. The Executive Committee's primary responsibilities include: (i) acting on behalf of the Board upon any routine operational matters, or such other matters, which, in the opinion of the Chairman of the Board, should not be postponed until the next regularly scheduled meeting of the Board, subject, in each case, to the limitations set forth in the Executive Committee charter and the Company's by-laws; and (ii) forming and delegating authority to

Table of Contents

subcommittees when appropriate. A copy of the Executive Committee charter can be found on the Company's website at [www.ppbi.com](http://www.ppbi.com) under the Investor Relations section.

**Compensation Committee Interlocks and Insider Participation**

For 2016, the Compensation Committee was comprised of Messrs. Fargo, Garrett, Goddard, and Jones, and Ms. Tellez, each of whom was an independent director. Following the Company's acquisition by merger of HEOP, effective April 13 2017, Mr. Pfau replaced Mr. Goddard as a member of the Compensation Committee. None of these individuals is or has been an officer or employee of the Company during the last fiscal year or as of the date of this Proxy Statement, or is serving or has served as a member of the compensation committee of another entity that has an executive officer serving on the Compensation Committee. No executive officer of the Company served as a director of another entity that had an executive officer serving on the Compensation Committee. Finally, no executive officer of the Company served as a member of the compensation committee of another entity that had an executive officer serving as a director of the Company.

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

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the related rules and regulations, our directors and executive officers and any beneficial owners of more than 10% of any registered class of our equity securities, are required to file reports of their ownership, and any changes in that ownership, with the SEC. Based solely on our review of copies of these reports and on written representations from such reporting persons, we believe that during 2016, all such persons filed all ownership reports and reported all transactions on a timely basis except that, due to administrative oversights, two reports on Form 4 were not timely filed, including one report on Form 4 for Mr. Garret relating to an open market purchase on November 22, 2016 pursuant to a 10b5-1 plan, for which a Form 4 filing was made on November 25, 2016; and one report on Form 4 for Mr. Boudreau relating to an open market purchase on July 29, 2016, for which a Form 4 filing was made on August 5, 2016.

**Committee Independence and Additional Information**

The Company's Audit, Nominating and Corporate Governance, and Compensation Committees are currently composed entirely of "independent" directors, as defined by our Corporate Governance Guidelines and applicable NASDAQ and SEC rules and regulations. Our Compensation, Audit, Nominating and Corporate Governance, and Executive Committees each have a written charter, which may be obtained on our website at [www.ppbi.com](http://www.ppbi.com) under the Investor Relations section. Company stockholders may also obtain written copies of the charters at no cost by writing to us at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614, Attention: Investor Relations Department, or by calling (949) 864-8000.

The Chair of each committee is responsible for establishing committee agendas. The agenda, meeting materials and the minutes of each committee meeting are furnished in advance to all of our directors, and each committee chair reports on his or her committee's activities to the full Board.

Table of Contents**Equity Compensation Plan Information**

The following table provides information as of December 31, 2016, with respect to options and RSUs outstanding and shares available for future awards under the Company's active equity incentive plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (2)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders: (1)			
2004 Long-term Incentive Plan	230,605	\$ 7.41	-
2012 Stock Long-Term Incentive Plan	877,562	14.02	146,107 (3)
Equity compensation plans not approved by security holders	276,609 (4)	20.72	628,988 (5)
<b>Total Equity Compensation plans</b>	<b>384,776</b>	<b>\$ 14.26</b>	<b>775,095</b>

(1)

With respect to the 2004 Long-Term Incentive Plan and the 2012 Long-Term Incentive Plan, consists of 853,062 shares issuable upon the exercise of outstanding stock options and 24,500 shares issuable in settlement of outstanding RSUs (assuming RSUs are earned at the maximum potential level). Excludes 345,834 outstanding shares of restricted stock (these do not constitute "rights" under SEC rules).

(2)

The weighted-average exercise price includes all outstanding stock options but does not include RSUs, all of which do not have an exercise price. If RSUs were included in this calculation, treating such awards as having an exercise price of zero, the weighted average exercise price of outstanding options, warrants and rights would be \$12.33.

(3)

Consists of common stock remaining available for awards under our 2012 Long-Term Incentive Plan. The 2012 Long-Term Incentive Plan is our only equity compensation plan under which securities are available for future awards. All of the 2012 Long-Term Incentive Plan shares are available for delivery under stock options, stock appreciation rights, restricted stock, RSUs or other forms of equity award authorized plans.

(4)

Represents shares of Company common stock available for issuance under the Heritage Oaks Bancorp 2005 Equity Based Compensation Plan and the Heritage Oaks Bancorp 2015 Equity Incentive Plan (the "HEOP 2015 Plan" and together with the HEOP 2005 Plan, collectively the "HEOP Plans"). The HEOP Plans were assumed by the Company in its acquisition of HEOP effective as of April 1, 2017. The aggregate number of shares authorized for issuance under the HEOP Plans at the date of acquisition was 630,472. The foregoing share amount represent shares available for issuance under the HEOP Plans at the relevant date, multiplied by the exchange ratio of 0.3471, which was the exchange ratio used to calculate the number of shares of the Company's common stock into which awards issued under the HEOP Plans were converted upon the Company's assumption of the HEOP Plans.

(5)

With respect to the HEOP Plans, securities available for issuance include stock options, restricted stock awards, and restricted stock units



Table of Contents**Principal Holders of Common Stock**

The Company is not aware of any person, as such term is defined in the Exchange Act, that beneficially owns more than 5% of the Company's common stock as of the Record Date.

**Security Ownership of Directors and Executive Officers**

This table and the accompanying footnotes provide a summary of the beneficial ownership of our common stock as of the Record Date, by (i) our directors, (ii) NEOs, and (iii) all of our current directors and executive officers as a group. The following summary is based on information furnished by the respective directors and officers.

Each person has sole voting and investment power with respect to the shares they beneficially own.

Name	Common Stock	Restricted Stock (1)	Options Exercisable (1)	Total Beneficial Ownership	
				# (2)	% (3)
	A	B	C	D	E
John J. Carona	14,491	1,248	12,500	28,239	0.07
Ayad Fargo	294,647	1,248	-	295,895	0.74
Joseph L. Garrett	66,850	1,248	22,500	90,598	0.23
Jeff C. Jones	108,693	1,248	33,500	143,441	0.36
Simone Lagomarsino	70,548	4,465	29,085	104,098	0.26
Michael Morris	22,589	1,291	6,203	30,083	0.08
Michael Pfau	28,962	1,076	4,381	34,419	0.09
Zareh Sarrafian	18,729	1,248	-	19,977	0.05
Cora Tellez	10,330	1,248	-	11,578	0.03
Steven R. Gardner	150,186	115,469	298,333	563,988	1.42
Edward Wilcox	48,885	40,958	142,833	232,676	0.58
Ronald J. Nicolas, Jr.	-	24,214	-	24,214	0.06
Michael S. Karr	17,522	26,878	108,666	153,066	0.38
Thomas Rice	19,867	26,878	48,666	95,411	0.24
Stock Ownership of all Directors and Executive Officers as a Group (14 persons)	872,299	248,717	706,667	1,827,683	4.59%

(1)

In accordance with applicable SEC rules (i) shares of restricted stock constitute beneficial ownership because the holder has voting power, but not dispositive power; and (ii) stock options that are exercisable or will become exercisable, and RSUs that will be settled, within 60 days after the Record Date are included in this column.

(2)

The amounts in column D are derived by adding shares, restricted stock and options exercisable listed in columns A, B and C of the table.

(3)



The amounts contained in column E are derived by dividing the amounts in column D of the table by (i) the total outstanding shares of 39,814,732 plus (ii) the amount in column C for that individual or the group, as applicable.

### **Compensation of Non-Employee Directors**

The Board of Directors, acting upon a recommendation from the Compensation Committee, annually determines the non-employee directors' compensation for serving on the Board of Directors and its committees. In establishing director compensation, the Board of Directors and the Compensation Committee are guided by the following goals, compensation should:

consist of a combination of cash and equity awards that are designed to fairly pay the directors for work required for a company of our size and scope;

Table of Contents

align the directors' interests with the long-term interests of the Company's stockholders; and  
assist with attracting and retaining qualified directors.

The Compensation Committee and the Board of Directors most recently completed this process in December 2016. To better position the Company's director compensation relative to our peer group, as identified below, it was determined that director compensation for 2017 will increase from the 2016 compensation as detailed below. The Company does not pay director compensation to directors who are also employees. Below are the elements of compensation paid to non-employee directors for their service on the Board of Directors.

*Cash Compensation.* During the 2016 fiscal year, non-employee directors received the following cash payments for their service on the Boards of Directors of the Company and the Bank:

an annual cash retainer of \$35,000, paid quarterly, for service on the Boards of Directors of the Company and the Bank;  
an additional annual cash retainer of \$7,500, paid quarterly, to the Chairman of the Boards of Directors of the Company and the Bank;  
an additional annual cash retainer of \$7,500, paid quarterly, to the Chairman of the audit committee of the Company's Board;  
an additional annual cash retainer of \$2,500, paid quarterly, to the members of the audit committee of the Company's Board;  
an additional annual cash retainer of \$5,000, paid quarterly, to the Chairman of compensation committee of the Company's Board; and  
an additional annual cash retainer of \$1,000, paid quarterly, to members of the compensation committee of the Company's Board.

For the 2017 fiscal year, the cash compensation for non-employee directors serving on the Boards of Directors of the Company and the Bank was changed as follows:

an annual cash retainer of \$59,000, paid quarterly, for service on the Boards of Directors of the Company and the Bank;  
an additional annual cash retainer of \$15,000, paid quarterly, to the Chairman of the audit committee of the Company's Board;  
an additional annual cash retainer of \$2,500, paid quarterly, to the members of the audit committee of the Company's Board;  
an additional annual cash retainer of \$10,000, paid quarterly, to the Chairman of the compensation committee of the Company's Board; and  
an additional annual cash retainer of \$1,000, paid quarterly, to the members of the compensation committee of the Company's Board.

During 2016, the Company did not provide perquisites to any director in an amount that is reportable under applicable SEC rules and regulations. All non-employee directors are entitled to reimbursement for travel expense incurred in attending Board and committee meetings.

*Stock Compensation.* Each non-employee director is eligible for a grant of shares of restricted stock issued from the Pacific Premier Bancorp, Inc. 2012 Long-Term Incentive Plan ("2012 Long-Term Incentive Plan"), as recommended by the Compensation Committee. The shares of restricted stock that the Company awards to its directors fully vest as of the first anniversary of the date of grant, subject to earlier vesting on termination of service in certain circumstances. On January 5, 2016, each of our non-employee directors was granted 2,000 shares of restricted stock. On January 26, 2017, each of our non-employee directors was granted 1,248 shares of restricted stock.

*Stock Ownership Guidelines for Directors.* The Board of Directors adopted a stock ownership guideline for non-employee directors in March 2012, which requires that each non-employee director



Table of Contents

own shares of the Company's common stock having a value of at least equal to five times the director's annual retainer for service on the Board of the Company or the Bank (not including committee-related fees). Directors have (i) five years from the date the guidelines were adopted, or until March 2017, or (ii) for new directors, five years after joining the Board of Directors, to meet the guidelines. Restricted stock and restricted stock units, and a portion of the shares that may be acquired by exercise of vested in-the-money stock options, are treated as stock ownership for this purpose. As of the date of this Proxy Statement, all directors met or exceeded the ownership guidelines to the extent applicable to them.

*Health Insurance Benefits.* Non-employee directors can elect to receive insurance benefits from the Company, including long-term care insurance or health care insurance. The aggregate cost of these benefits in 2016 was \$77,000.

*Aggregate Director Compensation in 2016.* In accordance with applicable SEC rules and regulations, the following table reports all compensation the Company paid during 2016 to its non-employee directors.

**2016 DIRECTOR COMPENSATION**

Name	Fees Earned or Paid in Cash	Stock Awards (1)	Nonqualified Deferred Compensation Earnings (2)	All Other Compensation	Total
Kenneth A. Boudreau *	\$ 57,500	\$ 40,840	\$ 3,873	\$ 4,000	\$ 106,213
John J. Carona	55,000	40,840	345	4,000	100,185
Joseph L. Garrett	62,500	40,840	-	4,000	107,340
John D. Goddard *	56,000	40,840	1,255	4,000	102,095
Jeff C. Jones	63,875	40,840	1,255	4,000	109,970
Michael L. McKennon *	62,500	40,840	8,185	4,000	115,525
Cora Tellez	58,500	40,840	48	4,000	103,388
Ayad Fargo	51,333	-	25	4,000	55,358
Zareh Sarrafian	50,417	-	-	4,000	54,417

\*

Resigned as a director effective immediately prior to the effectiveness of the Company's acquisition of HEOP and Heritage Oaks Bank on April 1, 2017.

(1)

These amounts represent the aggregate grant date fair value of restricted stock granted in 2016, calculated in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are discussed in Note 18 to our Consolidated Audited Financial Statements for the fiscal year ended December 31, 2016, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. Fair value is based on 100% of the closing price per share of our common stock on the date of grant. At December 31, 2016, each of the non-employee directors named in the above table held 2,000 shares of restricted stock, except for Mr. Fargo and Mr. Sarrafian, who held none. In addition, at December 31, 2016, non-employee directors held outstanding stock options as follows: Mr. Boudreau, 36,000; Mr. Carona, 15,000; Mr. Garrett, 25,000; Mr. Goddard, 36,000; Mr. Jones, 36,000; Mr. McKennon, 36,000; Ms. Tellez, 0; Mr. Fargo, 0; and Mr. Sarrafian, 0.

(2)

Amounts reported in this column are the total interest credited on deferred compensation balances in 2016. Only the portion of such interest that exceeds 120% of the applicable federal rate is deemed to constitute compensation to a director under the SEC rules governing this table.



Table of Contents**Deferred Compensation Plan**

The Bank created a Directors' Deferred Compensation Plan in September 2006 which allows non-employee directors to defer Board of Directors' fees and provides for additional contributions from any opt-out portion of the long-term care insurance plan. See "Health Insurance Benefits" under "Compensation of Non-Employee Directors". The deferred compensation was credited with interest by the Bank at prime plus one percent through January 31, 2014, after which the rate was changed to prime minus one percent. The director's account balance is payable upon retirement or resignation. The Directors' Deferred Compensation Plan is unfunded. The Company is under no obligation to make matching contributions to the Directors' Deferred Compensation Plan. As of December 31, 2016, the unfunded liability for the plan was \$1.6 million and the interest expense for 2016 was \$70,000. The table below shows the totals for the Deferred Compensation Plan contributions and earnings, for our Directors, for the year ended December 31, 2016.

**2016 NONQUALIFIED DIRECTOR DEFERRED COMPENSATION**

Name	Aggregate Balance at Fiscal Year- End Prior to Last Fiscal Year-End	Director Contributions in Last Fiscal Year	Contributions in Lieu of Health Insurance in Last Fiscal Year	Aggregate Earnings in Last Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year-End
Kenneth A. Boudreau *	\$ 151,861	\$ -	\$ -	\$ 3,873	\$ -	\$ 155,734
John J. Carona	11,629	-	4,000	345	-	15,974
Joseph L. Garrett	-	-	-	-	-	-
John D. Goddard *	47,300	-	4,000	1,255	-	52,555
Jeff C. Jones	47,300	-	4,000	1,255	-	52,555
Michael L. McKennon *	290,735	54,208	-	8,185	-	353,128
Cora Tellez	-	-	4,000	48	-	4,048
Ayad Fargo	-	-	2,287	25	-	2,312
Zareh Sarrafian	-	-	-	-	-	-

\*

Resigned as a director effective immediately prior to the effectiveness of the Company's acquisition of HEOP and Heritage Oaks Bank on April 1, 2017.

**Executive Compensation Discussion & Analysis**

In this Executive Compensation Discussion & Analysis ("CD&A"), we explain our compensation program for our named executive officers ("NEOs") in 2016. The NEOs for 2016 are:

Name	Title
Steven R. Gardner	Chairman of the Board, Chief Executive Officer and President of the Company and Chairman of the Board and Chief Executive Officer of the Bank
Ronald J. Nicolas, Jr.	Senior Executive Vice President and Chief Financial Officer of the Company and the Bank
E. Allen Nicholson	Former Executive Vice President and Chief Financial Officer of the Company and the Bank
Edward Wilcox	President & Chief Banking Officer of the Bank
Michael S. Karr	Senior Executive Vice President & Chief Credit Officer of the Bank