Section 1: 425 (8-K)

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 20, 2019 (June 14, 2019)

Prosperity Bancshares, Inc.
(Exact name of registrant as specified in its charter)

Texas	001-35388	74-2331986
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

4295 San Felipe
Houston, Texas 77027
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (281) 269-7199

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $1.00 per share	**PB**	**New York Stock Exchange, Inc.**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new

or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(c)

Appointment of Chief Financial Officer

On June 14, 2019, the Board of Directors (the "Board") of Prosperity Bancshares, Inc. ("Prosperity") appointed Asylbek Osmonov to serve as Chief Financial Officer of Prosperity and on June 16, 2019, the Board of Directors of Prosperity Bank ("Prosperity Bank") appointed Mr. Osmonov to serve as Chief Financial Officer of Prosperity Bank, effective June 17, 2019. Mr. Osmonov will also continue to serve as Chief Accounting Officer of Prosperity Bank.

Mr. Osmonov, 38, has been Prosperity's Interim Chief Financial Officer since April 1, 2019. Prior to that, Mr. Osmonov was Prosperity's Chief Accounting Officer since September 2013. Prior to joining Prosperity, Mr. Osmonov was an audit senior manager at Deloitte LLP, where he worked from 2004 to 2013. While at Deloitte, he focused on the financial services and oil and gas industries. Mr. Osmonov is a Certified Public Accountant. Mr. Osmonov received his Bachelor of Accountancy from the University of Mississippi and Masters of Professional Accounting from the University of Texas.

In connection with the appointment, Mr. Osmonov's annual base salary was increased to $300,000. There are no arrangements or understandings between Mr. Osmonov and any other persons pursuant to which he was selected as Chief Financial Officer of Prosperity. There are no family relationships between Mr. Osmonov and any previous or current officers or directors of Prosperity or Prosperity Bank, and there are no related party transactions reportable under Item 404(a) of Regulation S-K.

Appointment of Officers Effective Upon Merger

As previously disclosed, on June 16, 2019, Prosperity entered into an Agreement and Plan of Reorganization (the "Merger Agreement") with LegacyTexas Financial Group, Inc., a Maryland corporation ("LegacyTexas"), pursuant to which LegacyTexas will merge with and into Prosperity (the "Merger"). In connection with the Merger Agreement, Prosperity Bank and LegacyTexas Bank entered into an employment agreement with Kevin Hanigan (the "Hanigan Employment Agreement"), LegacyTexas's President and Chief Executive Officer, pursuant to which he will serve as Prosperity Bank's President effective upon, and subject to, the effective time of the Merger (the "Effective Time"). It is also expected that Mr. Hanigan will serve as Prosperity's President and Chief Operating Officer effective upon the Effective Time.

Mr. Hanigan, age 62, has served as LegacyTexas's President and Chief Executive Officer since April 2012. Prior to joining LegacyTexas, Mr. Hanigan was the Chairman and Chief Executive Officer of Highlands Bank, serving in those roles since 2010. Prior to joining Highlands Bank, Mr. Hanigan was employed by Guaranty Bank starting in 1996, serving in numerous capacities including Chief Lending Officer, Executive in charge of Retail Banking, and finally as Chairman and Chief Executive Officer of Guaranty Bank and its parent company, Guaranty Financial Group, Inc. (which filed for bankruptcy in August 2009). Mr. Hanigan began his career with Bank of the Southwest in Houston in June 1980. He earned his undergraduate degree and Master of Business Administration from Arizona State University. Mr. Hanigan serves on the Board of Directors of Goodwill Industries of Dallas and the Dallas Citizen's Council. With over 37 years of experience working in the banking industry in Texas and serving as chief executive officer of several institutions, Prosperity expects Mr. Hanigan to bring outstanding leadership skills and a deep understanding of the local banking market and issues facing the banking industry.

There are no arrangements or understandings between Mr. Hanigan and any other persons pursuant to which he was selected to serve as Prosperity's President and Chief Operating Officer effective upon the Effective Time, other than as set forth in the Merger Agreement. There are no family relationships between Mr. Hanigan and any previous or current officers or directors of Prosperity or Prosperity Bank, and there are no related party transactions reportable under Item 404(a) of Regulation S-K.

Under the Hanigan Employment Agreement, Mr. Hanigan's compensation will consist of an annual base salary of $970,806, an annual bonus of up to 175% of base salary and an opportunity to participate in Prosperity's stock-based incentive compensation programs. At the Effective Time, Mr. Hanigan will also be granted an award by Prosperity of 20,000 shares of restricted stock and paid a one-time cash signing bonus of $1,275,000.

The foregoing summary of the Hanigan Employment Agreement is not complete and is qualified in its entirety by reference to the complete text of such agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and which is incorporated herein by reference.

Also in connection with the Merger Agreement, Prosperity Bank and LegacyTexas Bank entered into an employment agreement with J. Mays Davenport (the "Davenport Employment Agreement"), LegacyTexas's Executive Vice President and Chief Financial Officer, pursuant to which he will serve as Prosperity Bank's Senior Executive Vice President & Director of Corporate Strategy effective upon the Effective Time. It is also expected that Mr. Davenport will serve as Prosperity's Executive Vice President & Director of Corporate Strategy effective upon the Effective Time.

Mr. Davenport, age 50, has served as LegacyTexas's Executive Vice President and Chief Financial Officer for both LegacyTexas and Legacy Texas Bank since January 2015. Mr. Davenport oversaw the Finance and Treasury functions of LegacyTexas, and also serves as a Director of LegacyTexas Title. Prior to joining LegacyTexas, Mr. Davenport served as Executive Vice President of the wholly owned

subsidiary of LegacyTexas Group, Inc. since December 2004. Mr. Davenport is a licensed Certified Public Accountant in the State of Texas and has been serving the Texas banking community for over twenty years, including fourteen years in the practice of public accountancy with Arthur Andersen, Grant Thornton, Fisk & Robinson and RSM McGladrey LLP. Mr. Davenport is a Magna Cum Laude graduate of Texas A&M University with a B.B.A. in Finance and Accounting.

There are no arrangements or understandings between Mr. Davenport and any other persons pursuant to which he was selected to serve as Prosperity's Senior Executive Vice President & Director of Corporate Strategy effective upon the Effective Time, other than as set forth in the Merger Agreement. There are no family relationships between Mr. Davenport and any previous or current officers or directors of Prosperity or Prosperity Bank, and there are no related party transactions reportable under Item 404(a) of Regulation S-K.

Under the Davenport Employment Agreement, Mr. Davenport's compensation will consist of an annual base salary of $415,000, an annual bonus of up to 100% of base salary and an opportunity to participate in Prosperity's stock-based incentive compensation programs. At the Effective Time, Mr. Davenport will also be granted an award by Prosperity of 10,000 shares of restricted stock and a one-time cash signing bonus of $225,000.

The foregoing summary of the Davenport Employment Agreement is not complete and is qualified in its entirety by reference to the complete text of such agreement, which is filed as Exhibit 10.2 to this Current Report on Form 8-K and which is incorporated herein by reference.

Other Appointments Effective Upon Merger

David Zalman, who currently serves as Chairman and Chief Executive Officer of Prosperity and Senior Chairman and Chief Executive Officer of Prosperity Bank, will serve as Senior Chairman of Prosperity effective upon the Effective Time and will continue to serve as Senior Chairman of Prosperity Bank and Chief Executive Officer of Prosperity and Prosperity Bank.

H.E. Timanus, Jr., who currently serves as Vice Chairman of Prosperity and Chairman and Chief Operating Officer of Prosperity Bank, will serve as Chairman of Prosperity effective upon the Effective Time and will continue to serve as Chairman and Chief Operating Officer of Prosperity Bank.

Edward Z. Safady, who currently serves as President of Prosperity and Vice Chairman of Prosperity Bank, will serve as Vice Chairman of Prosperity effective upon the Effective Time and will continue to serve as Vice Chairman of Prosperity Bank.

For more on the compensation of Prosperity's directors and executives, please refer to the disclosure under the heading "Compensation Discussion and Analysis" in Prosperity's Proxy Statement of its 2019 Annual Meeting of Shareholders and filed with the Securities and Exchange Commission (the "SEC") on March 14, 2019.

(d)

Appointment of Directors Effective Upon Merger

As previously disclosed, pursuant to the Merger Agreement, Prosperity has agreed to appoint each of Kevin Hanigan, Bruce Hunt and George Fisk to the Prosperity Board of Directors effective upon the Effective Time. At this time, the Prosperity Board of Directors has not determined which, if any, of its committees to which Messrs. Hanigan, Hunt and Fisk will be named.

There are no family relationships between Messrs. Hanigan, Hunt and Fisk and any previous or current officers or directors of Prosperity, and there are no related party transactions reportable under Item 404(a) of Regulation S-K for any of them.

The description of the Hanigan Employment Agreement in item 5.02(c) is hereby incorporated by reference in this item 5.02(d) and describes the only material plan, contract or arrangement to which Mr. Hanigan is a party.

As previously disclosed, Messrs. Hunt and Fisk each entered into a Director Support Agreement with Prosperity, LegacyTexas and LegacyTexas Bank in connection with Prosperity's entry into the Merger Agreement. Pursuant to the Director Support Agreements, Messrs. Hunt and Fisk have agreed, among other things, and subject to certain exceptions, not to disclose or use confidential information of LegacyTexas or Prosperity, and from and after the Effective Time for a period of two years, not to solicit customers of LegacyTexas or Prosperity on behalf of a third party, not to solicit certain LegacyTexas or Prosperity employees and not to compete with the Prosperity. There are no other material plans, contracts or arrangements to which Messrs. Hunt or Fisk is a party with respect to their prospective appointment as a director of Prosperity.

The foregoing summary of the Director Support Agreements is not complete and is qualified in its entirety by reference to the complete text of such agreements, a form of which is filed as Exhibit 10.3 to this Current Report on Form 8-K and which is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws

During a meeting on June 14, 2019, the Board unanimously approved a resolution to amend the Amended and Restated Bylaws of Prosperity (the "Bylaws") in order to permit the execution by shareholders of proxies by electronic means. The amendment became effective on June 14, 2019.

The foregoing summary of the amendment to the Bylaws of Prosperity is not complete and is qualified in its entirety by reference to the complete text of the amended Bylaws, which is filed as Exhibit 3.1 to this Current Report on Form 8-K and which is incorporated herein by reference.

Item 8.01. Other Events

For the purposes of Rule 425 under the Securities Act of 1933, as amended, only that information contained in Item 5.02 relating solely to the proposed merger between Prosperity and LegacyTexas is being filed under this Item 8.01.

Cautionary Notes on Forward Looking Statements

This communication contains statements which, to the extent they are not statements of historical fact, constitute "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. From time to time, oral or written forward-looking statements may also be included in other information released to the public. Such statements are typically, but not exclusively, identified by the use in the statements of words or phrases such as "aim," "anticipate," "estimate," "expect," "goal," "guidance," "intend," "is anticipated," "is expected," "is intended," "objective," "plan," "projected," "projection," "will affect," "will be," "will continue," "will decrease," "will grow," "will impact," "will increase," "will incur," "will reduce," "will remain," "will result," "would be," variations of such words or phrases (including where the word "could," "may," or "would" is used rather than the word "will" in a phrase) and similar words and phrases indicating that the statement addresses some future result, occurrence, plan or objective. These forward-looking statements may include information about Prosperity's and LegacyTexas's possible or assumed future economic performance or future results of operations, including future revenues, income, expenses, provision for loan losses, provision for taxes, effective tax rate, earnings per share and cash flows and Prosperity's or LegacyTexas's future capital expenditures and dividends, future financial condition and changes therein, including changes in Prosperity's and LegacyTexas's loan portfolio and allowance for loan losses, future capital structure or changes therein, as well as the plans and objectives of management for Prosperity's or LegacyTexas's future operations, future or proposed acquisitions, the future or expected effect of acquisitions on Prosperity's or LegacyTexas's operations, results of operations, financial condition, and future economic performance, statements about the anticipated benefits of the proposed transaction, and statements about the assumptions underlying any such statement. The forward-looking statements are based on expectations and assumptions Prosperity and LegacyTexas currently believe to be valid. Because forward-looking statements relate to future results and occurrences, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Many possible events or factors could adversely affect the future financial results and performance of Prosperity, LegacyTexas or the combined company and could cause those results or performance to differ materially from those expressed in the forward-looking statements. Such risks and uncertainties include, among others: the occurrence of any event, change or other circumstance that could give rise to the right of one or both of the parties to terminate the Merger Agreement, the outcome of any legal proceedings that may be instituted against Prosperity or LegacyTexas, delays in completing the transaction, the failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction) or shareholder approvals or to satisfy any of the other conditions to the transaction on a timely basis or at all, the possibility that the anticipated benefits of the transaction are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors generally, or specifically in the Dallas/Fort Worth area where LegacyTexas does a majority of its business and Prosperity has a significant presence, the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events, diversion of management's attention from ongoing business operations and opportunities, potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction, Prosperity's ability to complete the acquisition and integration of LegacyTexas successfully, and the dilution caused by Prosperity's issuance of additional shares of its common stock in connection with the transaction. Each of Prosperity and LegacyTexas disclaims any obligation to update such

factors or to publicly announce the results of any revisions to any of the forward-looking statements included herein to reflect future events or developments. Further information on Prosperity, LegacyTexas and factors which could affect the forward-looking statements contained herein can be found in Prosperity's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, its Quarterly Report on Form 10-Q for the three-month period ended March 31, 2019 and its other filings with the SEC, and in LegacyTexas's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, its Quarterly Report on Form 10-Q for the three-month period ended March 31, 2019 and its other filings with the SEC.

Additional Information about the Merger and Where to Find It

In connection with the proposed merger of LegacyTexas into Prosperity, Prosperity will file with the SEC a registration statement on Form S-4 to register the shares of Prosperity Common Stock to be issued to the stockholders of LegacyTexas. The registration statement will include a joint proxy statement/prospectus which will be sent to the stockholders of LegacyTexas and Prosperity seeking their approval of the proposed transaction.

WE URGE INVESTORS AND SECURITY HOLDERS TO READ THE REGISTRATION STATEMENT ON FORM S-4, THE JOINT PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4 AND ANY OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IN CONNECTION WITH THE PROPOSED TRANSACTION BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT PROSPERITY, LEGACYTEXAS AND THE PROPOSED TRANSACTION.

Investors and security holders may obtain free copies of these documents through the website maintained by the SEC at http://www.sec.gov. Documents filed with the SEC by Prosperity will be available free of charge by directing a request by telephone or mail to Prosperity Bancshares, Inc., Prosperity Bank Plaza, 4295 San Felipe, Houston, Texas 77027 Attn: Investor Relations, (281) 269-7199 and documents filed with the SEC by LegacyTexas will be available free of charge by directing a request by telephone or mail to LegacyTexas Financial Group, Inc., 5851 Legacy Circle, Suite 1200, Plano, Texas 75024, (972) 578-5000.

Participants in the Solicitation

Prosperity, LegacyTexas and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Prosperity and stockholders of LegacyTexas in connection with the proposed transaction. Certain information regarding the interests of these participants and a description of their direct and indirect interests, by security holdings or otherwise, will be included in the joint proxy statement/prospectus regarding the proposed transaction when it becomes available. Additional information about Prosperity and its directors and executive officers may be found in the definitive proxy statement of Prosperity relating to its 2019 Annual Meeting of Shareholders filed with the SEC on March 14, 2019, and other documents filed by Prosperity with the SEC. Additional information about LegacyTexas and its directors and executive officers may be found in the definitive proxy statement of LegacyTexas relating to its 2019 Annual Meeting of Stockholders filed with the SEC on April 12, 2019, and other documents filed by LegacyTexas with the SEC. These documents can be obtained free of charge from the sources described above.

No Offer or Solicitation

This communication is for informational purposes only and is not intended to and does not constitute an offer to subscribe for, buy or sell, or the solicitation of an offer to subscribe for, buy or sell, or an invitation to subscribe for, buy or sell any securities or a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, invitation, sale or solicitation would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
3.1	Amended and Restated Bylaws of Prosperity Bancshares, Inc., dated June 14, 2019.
10.1	Executive Employment Agreement, dated as of June 16, 2019, by and among Prosperity Bank, LegacyTexas Bank and Kevin J. Hanigan.
10.2	Executive Employment Agreement, dated as of June 16, 2019, by and among Prosperity Bank, LegacyTexas Bank and J. Mays Davenport.
10.3	Form of Director Support Agreement, dated as of June 16, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 20, 2019

PROSPERITY BANCSHARES

By: /s/ Charlotte M. Rasche
Name: Charlotte M. Rasche
Title: Executive Vice President and General Counsel

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Section 2: EX-3.1 (EX-3.1)

Exhibit 3.1

AMENDED AND RESTATED BYLAWS

OF

PROSPERITY BANCSHARES, INC.

A Texas Corporation

Date of Adoption

June 14, 2019

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AMENDED AND RESTATED BYLAWS
OF
PROSPERITY BANCSHARES, INC.

Article 1
Offices

Section 1.1 Registered Office. The registered office of the Corporation required by the State of Texas to be maintained in the State of Texas shall be the registered office named in the Articles of Incorporation of the Corporation, or such other office as may be designated from time to time by the Board of Directors in the manner provided by law.

Section 1.2 Other Offices. The Corporation may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine or the business of the Corporation may require.

Article 2
Shareholders

Section 2.1 Place of Meetings. All meetings of the shareholders shall be held at the principal office of the Corporation, or at such other place within or without the State of Texas as shall be specified or fixed in the notices or waivers of notice thereof.

Section 2.2 Quorum; Adjournment of Meetings. Unless otherwise required by law or provided in the Articles of Incorporation of the Corporation or these Bylaws, the holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at any meeting of shareholders for the transaction of business. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Notwithstanding the other provisions of the Articles of Incorporation of the Corporation or these Bylaws, the chairman of the meeting or the holders of a majority of the issued and outstanding stock, present in person or represented by proxy and entitled to vote thereat, at any meeting of shareholders, whether or not a quorum is present, shall have the power to adjourn such meeting from time to time, without any notice other than announcement at the meeting of the time and place of the holding of the adjourned meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at such meeting. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally called.

Section 2.3 Annual Meetings. An annual meeting of the shareholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place (within or without the State of Texas), on such date, and at such time as the Board of Directors shall fix and set forth in the notice of the meeting, which date shall be within thirteen (13) months subsequent to the last annual meeting of shareholders.

Section 2.4 Special Meetings. Unless otherwise provided in the Articles of Incorporation of the Corporation, special meetings of the shareholders for any purpose or purposes may be called at any time by the Chairman of the Board, by the Chief Executive Officer, by the President, by a majority of the Board of Directors, or by the holders of 50% of the outstanding shares of the Company entitled to vote at the proposed special meeting, at such time and at such place as may be stated in the notice of the meeting. Business transacted at a special meeting shall be confined to the purpose(s) stated in the notice of such meeting.

Section 2.5 Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors of the Corporation may fix a date as the record date for any such determination of shareholders, which record date shall not precede the date on which the resolutions fixing the record date are adopted and which record date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting of shareholders, nor more than sixty (60) days prior to any other action to which such record date relates.

If the Board of Directors does not fix a record date for any meeting of the shareholders, the record date for determining shareholders entitled to notice of or to vote at such meeting shall be at the close of business on the day next preceding the day on which notice is given, or, if in accordance with Article 7, Section 7.3 of these Bylaws notice is waived, at the close of business on the day next preceding the day on which the meeting is held. The record date for determining shareholders for any other purpose (other than the consenting to corporate action in writing without a meeting) shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

For the purpose of determining the shareholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If the Board of Directors does not fix the record date, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation at its registered office in the State of Texas or at its principal place of business. If the Board of Directors does not fix the record date, and prior action by the Board of Directors is necessary, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 2.6 Notice of Meetings. Written notice of the place, date and hour of all meetings, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by or at the direction of the Board of Directors or the other person(s) calling the meeting to each shareholder entitled to vote thereat not less than ten (10) nor more than sixty (60) days before the date of the meeting. Such notice may be delivered either personally or by mail. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the shareholder at such shareholder's address as it appears on the records of the Corporation.

Section 2.7 Shareholder List. A complete list of shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order for each class of stock and showing the address of each such shareholder and the number of shares registered in the name of such shareholder, shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The shareholder list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present.

Section 2.8 Proxies. Each shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to a corporate action in writing without a meeting may authorize the Chairman of the Board or another person or persons to act for such shareholder by proxy, provided that the instrument authorizing such proxy to act shall have been executed in writing (which shall include facsimile or other electronic means as permitted by the Texas Business Organizations Code or any successor statute) by the shareholder or by the shareholder's duly authorized attorney-in-fact. Proxies for use at any meeting of shareholders shall be filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, before or at the time of the meeting. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting, who shall decide all questions touching upon the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the chairman of the meeting, in which event such inspector or inspectors shall decide all such questions.

No proxy shall be valid after eleven (11) months from its date, unless the proxy provides for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and coupled with an interest sufficient in law to support an irrevocable power.

Should a proxy designate two or more persons to act as proxies, unless such instrument shall provide the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of such portion of the shares as is equal to the reciprocal of the fraction equal to the number of proxies representing such shares divided by the total number of shares represented by such proxies.

Section 2.9 Voting; Election; Inspectors.

(a) Vote per Share. Unless otherwise required by law or provided in the Articles of Incorporation of the Corporation, each shareholder shall on each matter submitted to a vote at a meeting of shareholders have one vote for each share of the stock entitled to vote which is registered in his name on the record date for the meeting. For the purposes hereof, each election to fill a directorship shall constitute a separate matter.

(b) Vote Required. Unless otherwise required by law or provided in the Articles of Incorporation of the Corporation, the vote or concurrence of the holders of a majority of the shares entitled to vote and represented in person or by proxy at a meeting of shareholders at which a quorum is present shall decide any matter properly brought before a meeting of shareholders, other than the election of directors. Directors shall be elected by a plurality vote.

(c) Election of Directors.

(i) In an uncontested election, any nominee for election as a director (including incumbent directors) who receives a greater number of "withhold" votes than votes "for" election (a "Majority Withhold Vote") shall, following certification of the shareholder vote, promptly tender to the Board of Directors his or her offer of resignation. For purposes of the preceding sentence, an "uncontested election" is an election in which the number of nominees is not greater than the number of directors being elected at the meeting. Each nominee for election as a director (including incumbent directors) must agree in advance to abide by this bylaw provision as a condition of his or her nomination for election as a director.

(ii) The Nominating and Corporate Governance Committee will consider the resignation offer and make a recommendation to the Board of Directors whether to accept or reject the resignation offer. In making its recommendation, the Nominating and Corporate Governance Committee will consider all factors it deems relevant, including the stated reasons, if any, why shareholders withheld their votes from the director, the length of service and qualifications of the director, the director's contributions to the Corporation and potential adverse consequences of the resignation (such as failure to comply with New York Stock Exchange listing requirements and Securities and Exchange Commission ("SEC") rules and regulations).

(iii) The Board of Directors will act on the Nominating and Corporate Governance Committee's recommendation within 90 days following certification of the shareholder vote. Any director who tenders an offer of resignation pursuant to this Section 2.9(c) shall not participate in the Nominating and Corporate Governance Committee recommendation or Board of Directors action regarding the resignation offer.

(iv) If a majority of the members of the Nominating and Corporate Governance Committee receive a Majority Withhold Vote at the same election, then the independent directors who did not receive a Majority Withhold Vote shall appoint a special committee consisting of independent directors who did not receive a Majority Withhold Vote to consider the resignation offers and recommend to the Board of Directors whether to accept or reject all or any of them.

(d) Registered Name. Shares registered in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaws (or comparable body) of such corporation may determine. Shares registered in the name of a deceased person may be voted by the executor or administrator of such person's estate, either in person or by proxy.

(e) Manner of Voting. All voting, except as required by the Articles of Incorporation of the Corporation or where otherwise required by law, may be by a voice vote; provided, however, upon request of the chairman of the meeting or upon demand therefor by shareholders holding a majority of the issued and outstanding stock present in person or by proxy at any meeting a stock vote shall be taken. Every stock vote shall be taken by written ballots, each of which shall state the name of the shareholder or proxy voting and such other information as may be required under the procedure established for the meeting. All elections of directors shall be by written ballots, unless otherwise provided in the Articles of Incorporation of the Corporation.

(f) Inspector of Elections. At any meeting at which a vote is taken by written ballots, the chairman of the meeting may appoint one or more inspectors, each of whom shall subscribe an oath or affirmation to execute faithfully the duties of inspector at such meeting with strict impartiality and according to the best of such inspector's ability. Such inspector shall receive the written ballots, count the votes, and make and sign a certificate of the result thereof. The chairman of the meeting may appoint any person to serve as inspector, except no candidate for the office of director shall be appointed as an inspector.

(g) Cumulative Voting Prohibited. Unless otherwise provided in the Articles of Incorporation of the Corporation, cumulative voting for the election of directors shall be prohibited.

Section 2.10 Conduct of Meetings. The meetings of the shareholders shall be presided over by the Chairman of the Board, or in his absence, by the Vice Chairman of the Board, or in his absence, by the Chief Executive Officer, or in his absence, by the President, or in his absence, by such other person as the Board of Directors shall designate. The Secretary of the Corporation, if present, shall act as secretary of such meetings, or, if the Secretary is not present, an Assistant Secretary shall so act; if neither the Secretary nor an Assistant Secretary is present, then a secretary shall be appointed by the chairman of the meeting.

The chairman of any meeting of shareholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to the chairman in order.

Section 2.11 Advance Notice of Shareholder Nominees. Any shareholder entitled to vote in the election of directors generally may recommend to the Board of Directors or the Nominating Committee of the Board of Directors, if applicable, one or more persons as a nominee for election as directors at a meeting only if such shareholder has given timely notice in proper written form of his intent to make such nomination or nominations. To be timely, a

shareholder's notice given in the context of an annual meeting of shareholders shall be delivered to or mailed and received at the principal executive office of the Corporation not less than one hundred twenty (120) days in advance of the first anniversary of the date of the Corporation's proxy statement released to shareholders in connection with the previous year's annual meeting of shareholders; provided, however, that if no annual meeting was held in the previous year or the date of the annual meeting of shareholders has been changed by more than thirty (30) days from the date contemplated at the time of the previous year's proxy statement, the notice must be received by the Corporation at least eighty (80) days prior to the date the Corporation intends to distribute its proxy statement with respect to such meeting. To be timely, a shareholder's notice given in the context of a special meeting of shareholders shall be delivered to or mailed and received by the Secretary at the principal executive office of the Corporation not later than the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such special meeting. For purposes of the foregoing, "public announcement" means the disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the SEC pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934. Any meeting of shareholders which is adjourned and will reconvene within thirty (30) days after the meeting date as originally noticed shall, for purposes of any notice contemplated by this paragraph, be deemed to be a continuation of the original meeting and no nominations by a shareholder of persons to be elected directors of the Corporation may be made at any such reconvened meeting other than pursuant to a notice that was timely for the meeting on the date originally noticed.

To be in proper written form, a shareholder's notice to the Secretary shall set forth:

(i) the name and address of the shareholder who intends to make the nominations and of the person or persons to be nominated;

(ii) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and, if applicable, intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

(iii) if applicable, a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder;

(iv) such other information regarding each nominee that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934 or any successor regulation thereto (including such person's notarized written acceptance of such nomination, consent to being named in the proxy statement as a nominee and statement of intention to serve as a director if elected). A nomination of any person not made in compliance with the foregoing procedures shall not be eligible to be voted upon by the shareholders at the meeting.

The Chairman of the Board, or if applicable, the nominating committee, shall have the power and duty to determine whether a nomination was made in accordance with procedures set forth in this Section 2.11 and, if any nomination is not in compliance with this Section 2.11 to declare that such defective nomination shall be disregarded.

Section 2.12 Advance Notice of Shareholder Proposals. Proposals for business to be brought before any shareholder meeting may be made by the Board of Directors or by any shareholder entitled to vote in such meeting. However, any such shareholder may propose business to be brought before a meeting only if such shareholder has given timely notice in proper written form of his intent to propose such business. To be timely, a shareholder's notice given in the context of an annual meeting of shareholder shall be delivered to or mailed and received at the principal executive office of the Corporation not less than one hundred twenty (120) days in advance of the first anniversary of the date of the Corporation's proxy statement released to shareholders in connection with the previous year's annual meeting of shareholders; provided, however, that if no annual meeting was held in the previous year or the date of the annual meeting of shareholders has been changed by more than thirty (30) days from the date contemplated at the time of the previous year's proxy statement, the notice must be received by the Corporation at least eighty (80) days prior to the date the Corporation intends to distribute its proxy statement with respect to such meeting. To be timely, a shareholder's notice given in the context of a special meeting of shareholders shall be delivered to or mailed and received by the Secretary at the principal executive office of the Corporation not later than the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting. For purposes of the foregoing, "public announcement" means the disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the SEC pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934. Any meeting of shareholders which is adjourned and will reconvene within thirty (30) days after the meeting date as originally noticed shall, for purposes of any notice contemplated by this paragraph, be deemed to be a continuation of the original meeting and no nominations by a shareholder of persons to be elected directors of the Corporation may be made at any such reconvened meeting other than pursuant to a notice that was timely for the meeting on the date originally noticed.

To be in proper written form, a shareholder's notice to the Secretary shall set forth:

(i) the nature of the proposed business with reasonable particularity, including the exact text of any proposal to be presented for adoption and any supporting statement, which proposal and supporting statement shall not in the aggregate exceed 500 words, and his reasons for conducting such business at the meeting;

(ii) any material interest of the shareholder in such business;

(iii) the name and record address of the shareholder;

(iv) the class and number of shares of the Corporation which are held of record or beneficially owned by the shareholder; and

(v) the dates upon which the shareholder acquired such shares of stock and documentary support for any claims of beneficial ownership.

The foregoing right of a shareholder to propose business for consideration at a meeting of the shareholders shall be subject to such conditions, restrictions and limitations as may be imposed by the Articles of Incorporation. Nothing in this Section 2.12 shall entitle any shareholder to propose business at such meeting which has not been properly brought before the meeting.

The chairman of any meeting of shareholders shall determine whether business has been properly brought before the meeting and, if the facts so warrant, may refuse to transact any business at such meeting which has not been properly brought before the meeting.

Notwithstanding any other provision of these Bylaws, the Corporation shall be under no obligation to include any shareholder proposal in its proxy statement or otherwise present any such proposal to shareholders at a meeting of shareholders if the Board of Directors reasonable believes that the proponents thereof have not complied with Sections 13 and 14 of the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder, and the Corporation shall not be required to be included in its proxy statement to shareholders in accordance with the Securities Exchange Act of 1934 and such rules or regulations.

Nothing in this Section 2.12 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 of the Securities Exchange Act of 1934.

Section 2.13 Treasury Stock. The Corporation shall not vote, directly or indirectly, shares of its own stock owned by it and such shares shall not be counted for quorum purposes. Nothing in this Section 2.13 shall be construed as limiting the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Article 3
Board of Directors

Section 3.1 Power; Number; Term of Office. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, and, subject to the restrictions imposed by law or the Articles of Incorporation of the Corporation, the Board of Directors may exercise all the powers of the Corporation.

The number of directors which shall constitute the whole Board of Directors shall be determined from time to time by a resolution adopted by a majority of the Board of Directors (but shall not be less than three); provided that no decrease in the number of directors which would have the effect of shortening the term of an incumbent director may be made by the Board of Directors. Each director shall hold office for the term for which such director is elected, and until such director's successor shall have been elected and qualified or until such director's earlier death, resignation or removal. Unless otherwise provided in the Articles of Incorporation of the Corporation, directors need not be residents of the State of Texas.

Section 3.2 Classified Board. The directors of the Corporation shall be divided into three classes, with respect to the time that they severally hold office, as nearly equal in number as possible, with the initial term of office of the first class of directors (the "Class I Directors") to expire at the 1999 annual meeting of holders of capital stock of the Corporation, the initial term of office of the second class of directors (the "Class II Directors") to expire at the 2000 annual meeting of holders of capital stock of the Corporation and the initial term of office of the third class of directors (the "Class III Directors") to expire at the 2001 annual meeting of holders of capital stock of the Corporation. Directors elected to succeed those directors whose terms have thereupon expired shall be elected for a term of office to expire at the third succeeding annual meeting of holders of capital stock of the Corporation after their election. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain or attain, if possible, the equality of the number of directors in each class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. If such equality is not possible, the increase or decrease shall be apportioned among the classes in such a way that the difference in the number of directors in any two classes shall not exceed one.

Section 3.3 Quorum; Voting. Unless otherwise provided in the Articles of Incorporation of the Corporation, a majority of the number of directors fixed in accordance with Section 3.1 shall constitute a quorum for the transaction of business of the Board of Directors and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3.4 Place of Meetings; Order of Business. The directors may hold their meetings and may have an office and keep the books of the Corporation, except as otherwise provided by law, in such place or places, within or without the State of Texas, as the Board of Directors may from time to time determine. At all meetings of the Board of Directors business shall be transacted in such order as shall from time to time be determined by the Chairman of the Board, or in his absence, by the Vice Chairman, or in his absence, by the Chief Executive Officer, or in his absence, by such other person as the Board of Directors shall designate.

Section 3.5 First Meeting. Each newly elected Board of Directors may hold its first meeting for the purpose of organization and the transaction of business, if a quorum is present, immediately after and at the same place as the annual meeting of the shareholders. Notice of such meeting shall not be required. At the first meeting of the Board of Directors in each year at which a quorum shall be present, held after the annual meeting of shareholders, the Board of Directors shall elect the officers of the Corporation.

Section 3.6 Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by the Chairman of the Board, or in his absence, by the Vice Chairman of the Board, or in his absence, by the Chief Executive Officer, or in his absence, by such other person as the Board of Directors shall designate. Notice of such regular meetings shall not be required

Section 3.7 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Vice Chairman of the Board or the Chief Executive Officer, or on the written request by three or more members of the Board, in each case on at least twenty-four (24) hours personal, written, telegraphic, cable or wireless notice to each director. Such notice, or any waiver thereof pursuant to Article 7, Section 7.3 hereof, need not state the

purpose or purposes of such meeting, except as may otherwise be required by law or provided for in the Articles of Incorporation of the Corporation or these Bylaws. Meetings may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in writing.

Section 3.8 Removal. Any director or the entire Board of Directors may be removed, but only for cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

Section 3.9 Vacancies; Increases in the Number of Directors. Unless otherwise provided in the Articles of Incorporation of the Corporation, vacancies existing on the Board of Directors for any reason may be filled by the affirmative vote of a majority of the directors then in office, although less than a quorum, or by the sole remaining director; and any director so chosen shall hold office until the next annual meeting held for the election of directors and until such director's successor shall have been elected and qualified, or until such director's earlier death, resignation or removal.

Section 3.10 Compensation. Directors and members of standing committees may receive such compensation as the Board of Directors from time to time shall determine to be appropriate, and shall be reimbursed for all reasonable expenses incurred in attending and returning from meetings of the Board of Directors.

Section 3.11 Action Without a Meeting; Telephone Conference Meeting. Unless otherwise restricted by the Articles of Incorporation of the Corporation, any action required or permitted to be taken at any meeting of the Board of Directors or any committee designated by the Board of Directors may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State of the State of Texas.

Unless otherwise restricted by the Articles of Incorporation of the Corporation, subject to the requirement for notice of meetings, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in a meeting of such Board of Directors or committee, as the case may be, by means of a conference telephone connection or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 3.12 Advisory Directors. The Board of Directors may appoint such number of advisory directors as the Board of Directors may from time to time determine, each of whom shall hold office until the next annual meeting of shareholders following their appointment. Advisory directors shall serve in an advisory capacity to the Board of Directors, but shall not have the right to vote. Advisory directors also may be appointed by the Board of Directors to serve in an advisory capacity on any committee of the Board of Directors, but shall not have the right to vote. The Board of Directors may remove any advisory director, with or without cause, upon a majority vote of the Board of Directors. The compensation of any advisory director shall be set and determined by the Board.

Section 3.13 Approval or Ratification of Acts or Contracts by Shareholders. The Board of Directors in its discretion may submit any act or contract for approval or ratification at any annual meeting of the shareholders, or at any special meeting of the shareholders called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by the vote of the shareholders holding a majority of the issued and outstanding shares of stock of the Corporation entitled to vote and present in person or by proxy at such meeting (provided that a quorum is present) shall be as valid and as binding upon the Corporation and upon all the shareholders as if it has been approved or ratified by every shareholder of the Corporation. In addition, any such act or contract may be approved or ratified by the written consent of shareholders holding a majority of the issued and outstanding shares of capital stock of the Corporation entitled to vote, and such consent shall be as valid and binding upon the Corporation and upon all the shareholders as if it had been approved or ratified by every shareholder of the Corporation.

Article 4
Committees

Section 4.1 Designation; Powers. The Board of Directors may, by resolution or resolutions adopted by a majority of the full Board of Directors, designate one or more committees, which shall in each case be comprised of such number of directors as the Board of Directors may determine from time to time, but not less than two. Any such designated committee shall have and may exercise such of the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation as may be provided in such resolution, except that no such committee shall have the power or authority of the Board of Directors to act with respect to the following matters: (a) approving or adopting, or recommending to the shareholders, any action or matter expressly required by law to be submitted to the shareholders of the Corporation for approval or (b) amending, altering or repealing these Bylaws or adopting new bylaws for the Corporation. Any such designated committee may authorize the seal of the Corporation to be affixed to all papers which may require it. In addition to the above, such committee or committees shall have such other powers and limitations of authority as may be determined from time to time by the Board of Directors.

Section 4.2 Procedure; Meetings; Quorum. Except as otherwise provided by the Board of Directors, meetings of any committee shall be conducted in accordance with the provisions of Section 3.6, 3.7 and 3.11 this Article 3 as the same shall from time to time be amended. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors at its meeting next succeeding such action or when otherwise required. A majority of the members of any such committee shall constitute a quorum, except as provided in Section 4.3 of this Article 4, and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any resolution.

Section 4.3 Substitution and Removal of Members; Vacancies. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and

not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member. The Board of Directors shall have the power at any time to remove any member(s) of a committee and to appoint other directors in lieu of the person(s) so removed and shall also have the power to fill vacancies in a committee.

Article 5
Officers

Section 5.1 Number, Titles and Term of Office. The elected officers of the Corporation shall be chosen by the Board of Directors and shall include a Chief Executive Officer, a President, a Chief Operating Officer, a Chief Financial Officer, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President) and a Secretary. The Board of Directors may also choose a Chairman of the Board, one or more Vice Chairmen of the Board and such other officers as the Board of Directors may from time to time elect or appoint (including, but not limited to, one or more Assistant Secretaries and one or more Assistant Treasurers). Each officer shall hold office until such officer's successor shall be duly elected and shall qualify or until such officer's death or until such officer shall resign or shall have been removed. Any number of offices may be held by the same person, unless the Articles of Incorporation of the Corporation provide otherwise. Except for the Chairman of the Board, any Vice Chairmen of the Board and the Chief Executive Officer, no officer need be a director.

Section 5.2 Chairman of the Board. The Chairman of the Board, if one shall be appointed, shall preside at all meetings of the shareholders and of the Board of Directors and generally manage the affairs of the Board of Directors. The Chairman of the Board shall also have such other powers and duties as may from time to time be prescribed by the Board of Directors.

Section 5.3 Vice Chairman of the Board. The Vice Chairman of the Board, if one shall be appointed, shall, in the absence of the Chairman of the Board, preside at all meetings of the shareholders and of the Board of Directors and generally manage the affairs of the Board of Directors. In addition, the Vice Chairman of the Board shall have such other powers and duties as may from time to time be prescribed by the Board of Directors.

Section 5.4 Chief Executive Officer. Unless the Board of Directors otherwise determines, the Chief Executive Officer shall have general and active management and control of the properties, business and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; may agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation and may sign all certificates for shares of capital stock of the Corporation; and the Chief Executive Officer shall have such other powers and duties as designated in accordance with these Bylaws and as from time to time may be assigned to the Chief Executive Officer by the Board of Directors.

Section 5.5 President. If no Chief Executive Officer shall be elected, the President shall be the principal executive officer of the Corporation and shall have the powers and duties of the Chief Executive Officer as set forth in Section 5.4. Unless the Board of Directors otherwise determines, the President shall assist the Chief Executive Officer in the general and active

management and control of the properties, business and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; may agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation; and the President shall have such other powers and duties as designated in accordance with these Bylaws and as from time to time may be assigned to the President by the Board of Directors or the Chief Executive Officer.

Section 5.6 Chief Operating Officer. The Chief Operating Officer shall perform such duties in connection with the operations of the Corporation as the Board of Directors or the Chief Executive Officer shall from time to time determine. The Chief Operating Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as from time to time may be assigned to the Chief Operating Officer by the Board of Directors or the Chief Executive Officer.

Section 5.7 Vice Presidents. Each Vice President shall at all times possess power to sign all certificates, contracts and other instruments of the Corporation, except as otherwise limited in writing by the Chairman of the Board, Chief Executive Officer or the President of the Corporation. Each Vice President shall have such other powers and duties as from time to time may be assigned to such Vice President by the Board of Directors, the Chief Executive Officer or the President.

Section 5.8 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors, committees of the Board of Directors and the shareholders, in books provided for that purpose; shall attend to the giving and serving of all notices; may in the name of the Corporation affix the seal of the Corporation to all contracts and attest the affixation of the seal of the Corporation thereto; may sign with the other appointed officers all certificates for shares of capital stock of the Corporation; shall have charge of the certificate books, transfer books and stock ledgers, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection of any director upon application at the office of the Corporation during business hours; shall have such other powers and duties as designated in these Bylaws and as from time to time may be assigned to the Secretary by the Board of Directors, the Chief Executive Officer or the President; and shall in general perform all acts incident to the office of Secretary, subject to the control of the Board of Directors, the Chief Executive Officer or the President.

Section 5.9 Chief Financial Officer; Treasurer. The Chief Financial Officer shall also serve as the Treasurer and shall have responsibility for the custody and control of all the funds and securities of the Corporation, and shall have such other powers and duties as designated in these Bylaws and as from time to time may be assigned to the Chief Financial Officer by the Board of Directors or the Chief Executive Officer. The Chief Financial Officer shall perform all acts incident to the position of Chief Financial Officer, subject to the control of the Board of Directors or the Chief Executive Officer; and the Chief Financial Officer shall, if required by the Board of Directors, give such bond for the faithful discharge of the Chief Financial Officer's duties in such form as the Board of Directors may require.

Section 5.10 Assistant Secretaries and Assistant Treasurers. Each Assistant Secretary and Assistant Treasurer shall have the usual powers and duties pertaining to such office, together with such other powers and duties as designated in these Bylaws and as from time to time may be assigned to each Assistant Secretary and Assistant Treasurer by the Secretary or the Chief Financial Officer, respectively, or by the Board of Directors, the Chief Executive Officer or the President.

Section 5.11 Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President, together with the Secretary or any Assistant Secretary shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of security holders of or with respect to any action of security holders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

Section 5.12 Delegation. For any reason that the Board of Directors may deem sufficient, the Board of Directors may, except where otherwise provided by statute, delegate the powers or duties of any officer to any other person, and may authorize any officer to delegate specified duties of such office to any other person. Any such delegation or authorization by the Board shall be effected from time to time by resolution of the Board of Directors.

Article 6
Capital Stock

Section 6.1 Certificated and Uncertificated Shares. The shares of the capital stock of the Corporation may be either certificated shares or uncertificated shares. As used herein, the term "certificated shares" means shares represented by instruments in bearer or registered form, and the term "uncertificated shares" means shares not represented by instruments and the transfers of which are registered upon books maintained for that purpose by or on behalf of the Corporation.

Section 6.2 Certificates for Certificated Shares. Certificates for certificated shares of stock shall be in such form, not inconsistent with that required by law and the Articles of Incorporation of the Corporation, as shall be approved by the Board of Directors. The certificates must be signed by or in the name of the Corporation by the Chief Executive Officer, the President or a Vice President and the Secretary or an Assistant Secretary or the Chief Financial Officer or an Assistant Treasurer of the Corporation; provided, however, that any of or all the signatures on the certificate may be facsimile. The stock record books and the blank stock certificate books shall be kept by the Secretary or at the office of such transfer agent or transfer agents as the Board of Directors may from time to time determine. In case any officer, transfer agent or registrar who shall have signed or whose facsimile signature or signatures shall have been placed upon any such certificate or certificates shall have ceased to be such officer, transfer agent or registrar before such certificate is issued by the Corporation, such certificate may nevertheless be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The stock certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued. Each certificate representing shares shall state upon the face thereof: (a) that the Corporation is organized under the laws of the State of Texas; (b) the name of the person to whom issued; (c) the number and class of shares and the designation of the series, if any, which the certificate represents; (d) the par value of each share represented by the certificate, or a statement that the shares are without par value; and (e) such other matters as may be required by law.

Section 6.3 Issuance of Uncertificated Shares. After the issuance of uncertificated shares, the Corporation or the transfer agent of the Corporation must send to the registered owner of such uncertificated shares a written notice containing the information required to be stated on certificates representing shares of stock as set forth in Section 6.2 above.

Section 6.4 Transfer of Shares. Upon surrender to the Corporation or a transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate or evidence of the issuance of uncertificated shares to the person entitled thereto, cancel the old certificate and record the transaction upon the books of the Corporation. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares, such uncertificated shares shall be cancelled, issuance of new equivalent uncertificated shares or certificated shares will be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation.

Section 6.5 Ownership of Shares. The Corporation shall be entitled to treat the holder of record of any share or shares of capital stock of the Corporation as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Texas.

Section 6.6 Regulations. The Board of Directors shall have the power and authority to make all such rules and regulations as they may deem expedient concerning the issue, transfer or registration of certificated or uncertificated shares and the replacement of certificated shares of capital stock of the Corporation.

Section 6.7 Lost, Stolen, or Destroyed Certificates. The Board of Directors may determine the conditions upon which the Corporation may issue (a) a new certificate of stock or (b) uncertificated shares in place of a certificate theretofore issued by it which is alleged to have been lost, stolen or destroyed and may require the owner of such certificate or such owner's legal representative to give bond, with surety sufficient to indemnify the Corporation and each transfer agent and registrar against any and all losses or claims which may arise by reason of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate in the place of the one so lost, stolen or destroyed.

Article 7
Miscellaneous Provisions

Section 7.1 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January of each year.

Section 7.2 Corporate Seal. The corporate seal shall be circular in form and shall have inscribed thereon the name of the Corporation and the state of its incorporation, which seal shall be in the charge of the Secretary and shall be affixed to certificates of stock, debentures, bonds, and other documents, in accordance with the direction of the Board of Directors or a committee

thereof, and as may be required by law; however, the Secretary may, if the Secretary deems it expedient, have a facsimile of the corporate seal inscribed on any such certificates of stock, debentures, bonds, contract or other documents. Duplicates of the seal may be kept for use by any Assistant Secretary.

Section 7.3 Notice and Waiver of Notice. Whenever any notice is required to be given by law, the Articles of Incorporation of the Corporation or under the provisions of these Bylaws, said notice shall be deemed to be sufficient if given (i) by telegraphic, cable or wireless transmission (including by telecopy or facsimile transmission) or (ii) by deposit of the same in a post office box or by delivery to an overnight courier service company in a sealed prepaid wrapper addressed to the person entitled thereto at such person's post office address, as it appears on the records of the Corporation, and such notice shall be deemed to have been given on the day of such transmission or mailing or delivery to courier, as the case may be.

Whenever notice is required to be given by law, the Articles of Incorporation of the Corporation or under any of the provisions of these Bylaws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person, including without limitation a director, at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the shareholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the Articles of Incorporation of the Corporation or these Bylaws.

Section 7.4 Facsimile Signatures. In addition to the provisions for the use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors.

Section 7.5 Reliance upon Books, Reports and Records. A member of the Board of Directors, or a member of any committee designated by the Board of Directors, shall, in the performance of such person's duties, be protected to the fullest extent permitted by law in relying upon the records of the Corporation and upon information, opinion, reports or statements presented to the Corporation.

Section 7.6 Application of Bylaws. In the event that any provisions of these Bylaws is or may be in conflict with any law of the United States, of the State of Texas or of any other governmental body or power having jurisdiction over this Corporation, or over the subject matter to which such provision of these Bylaws applies, or may apply, such provision of these Bylaws shall be inoperative to the extent only that the operation thereof unavoidably conflicts with such law, and shall in all other respects be in full force and effect.

Article 8
Indemnification of Officers and Directors

Section 8.1 Indemnification. As permitted by Section G of Article 2.02-1 of the Texas Business Corporation Act or any successor statute (the "Indemnification Article"), the Corporation hereby:

(a) makes mandatory the indemnification permitted under Section B of the Indemnification Article as contemplated by Section G thereof;

(b) makes mandatory its payment or reimbursement of the reasonable expenses incurred by a former or present director who was, is, or is threatened to be made a named defendant or respondent in a proceeding upon such director's compliance with the requirements of Section K of the Indemnification Article; and

(c) extends the mandatory indemnification referred to in Section 8.1(a) above and the mandatory payment or reimbursement of expenses referred to in Section 8.1(b) above (i) to all former or present officers of the Corporation and (ii) to all persons who are or were serving at the request of the Corporation as a director, officer, partner or trustee of another foreign or domestic corporation, partnership, joint venture, trust or employee benefit plan, to the same extent that the Corporation is obligated to indemnify and pay or reimburse expenses to directors.

Section 8.2 Nonexclusivity. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which the person indemnified may be entitled under any bylaw, agreement, authorization of shareholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall enure to the benefit of such person's heirs and legal representatives.

Section 8.3 Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another business, foreign, domestic or non-profit corporation, partnership, joint venture, sole proprietorship, trust or other enterprise or employee benefit plan, against any liability asserted against such person and incurred by such person in such a capacity or arising out of such person's status as such a person, whether or not the Corporation would have the power to indemnify such person against that liability under the provisions of this Article or the Texas Business Corporation Act.

Section 8.4 Witnesses. Notwithstanding any other provision of this Article, the Corporation shall pay or reimburse expenses incurred by any director, officer, employee or agent in connection with such person's appearance as a witness or other participation in a proceeding at a time when such person is not a named defendant or respondent in such proceeding.

Article 9
Amendments

Section 9.1 Amendments. The Board of Directors or the shareholders may adopt, amend and repeal from time to time the Bylaws of the Corporation. Such action by the Board of Directors shall require the affirmative vote of a majority of the directors then in office at any regular or special meeting of the Board of Directors. Such action by the shareholders shall require the affirmative vote of at least two-thirds of the issued and outstanding shares of the Corporation entitled to vote thereon.

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Section 3: EX-10.1 (EX-10.1)

Exhibit 10.1

EXECUTIVE EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is made the 16th day of June, 2019, by and among PROSPERITY BANK, a Texas banking association having a principal place of business at 1301 North Mechanic Street, El Campo, Texas 77437 ("Employer"), LEGACYTEXAS BANK, a Texas banking association having a principal place of business at 5851 Legacy Circle, Suite 1200, Plano, Texas 75024 (the "Bank") and Kevin J. Hanigan, an individual who resides in the State of Texas ("Employee").

WHEREAS, this Agreement is being entered into in connection with the Agreement and Plan of Reorganization, dated as of June 16, 2019 (the "Merger Agreement"), by and between Prosperity Bancshares, Inc., a Texas corporation ("Bancshares"), and LegacyTexas Financial Group, Inc., a Maryland corporation (the "Company"); and

WHEREAS, Employee's agreement to and compliance with the provisions of Article V of this Agreement are a material factor, material inducement and material condition to Bancshares' participation in the transactions contemplated by the Merger Agreement. Moreover, Employee acknowledges that a substantial portion of the value of the transactions contemplated by the Merger Agreement is Employee's promises to refrain from competing with the Bank, Employer, or Bancshares as set forth in Article V hereof; and

WHEREAS, prior to the entry into the Merger Agreement, Employee was an officer of the Bank and is receiving a considerable benefit as a result of the transactions contemplated by the Merger Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, and intending to be legally bound hereby, it is hereby agreed as follows:

ARTICLE I

TERM OF EMPLOYMENT

1.1 **Term.** Provided that Employee is employed by the Bank immediately preceding the Effective Time (as defined in the Merger Agreement), Employer hereby employs Employee and Employee hereby accepts employment with Employer under this Agreement for a period of three (3) years (the "Term") beginning as of the Effective Time; provided, however, that this Agreement may be terminated earlier as hereinafter provided. However, if (i) the Merger Agreement is terminated for any reason, (ii) Employee's employment with the Bank terminates for any reason, or (iii) the Prior Agreement (as defined below) is not terminated and liquidated in accordance with Section 1.2 hereof, in each case, before the Effective Time occurs, (a) Employee will not be employed under this Agreement and all of the provisions of this Agreement will terminate upon the earlier of the time of termination of the Merger Agreement or the time of termination of Employee's employment with the Bank or, in the case of (iii) above, immediately prior to the Effective Time, and (b) there will be no liability of any kind under this Agreement. Subject to Section 7.6 below, this Agreement shall terminate automatically upon the expiration of the Term.

1.2 **Termination of Prior Agreement.** The Bank and Employee are parties to that certain Amended and Restated Executive Employment Agreement dated December 2, 2013 (the "Prior Agreement"), which provides for severance benefits pursuant to its terms and conditions. The Bank and Employee hereby agree to take action to terminate and fully liquidate the Prior Agreement in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulation Section 1.409A-3(j)(4)(ix)(B) within thirty (30) days prior to the Effective Time. In connection with such termination and liquidation, Employee acknowledges that the Payments (as defined in the Prior Agreement) will be reduced to an amount that does not exceed the Safe Harbor Amount (as defined in the Prior Agreement). The Bank and Employee agree that the Prior Agreement shall not be deemed to be terminated unless and until the requirements of Treasury Regulation Section 1.409A-3(j)(4)(ix)(B) are satisfied, including the requirement that any other agreements, methods, programs and other arrangements that are required to be aggregated with the Prior Agreement are terminated and liquidated. Employee acknowledges that, upon the termination of the Prior Agreement, Employee shall have no further rights under the Prior Agreement. Employee acknowledges that the benefits that Employee will receive pursuant to this Agreement constitute consideration to which Employee is not otherwise entitled and is adequate consideration to support termination of the Prior Agreement and replacement by this Agreement.

ARTICLE II

TITLE AND DUTIES OF EMPLOYEE

2.1 **Title**. As of the Effective Time, Employee is hereby employed by Employer as President.

2.2 **Primary Duties**. Employee shall perform such duties as are consistent with Employee's title set forth above in Section 2.1, and shall perform such other work as may be assigned to him subject to the instructions, directions, and control of Employer, which shall be consistent with the type and nature of work normally performed by senior banking officers and as may be assigned by Employer from time to time.

2.3 **Engaging in Other Employment**. While employed by Employer, Employee shall devote all of his entire productive time, ability, and attention to the business of Employer during Employer's normal business hours.

ARTICLE III

COMPENSATION

3.1 **Base Salary**. As compensation for employment services rendered under this Agreement, Employee shall be entitled to receive from Employer an annual rate of salary ("Base Salary") of $970,806.00, subject to applicable taxes and withholdings, paid semi-monthly and prorated for any partial employment period during the Term of this Agreement. The Base Salary shall not be reduced during the Term of this Agreement, but may be increased, in Employer's sole discretion, in accordance with the then existing procedures of Employer.

3.2 **Bonus**. Prior to the Effective Time, Employee will be paid a bonus by the Bank for the 2019 calendar year, which bonus shall be consistent with the Bank's bonus program in effect as of the date of execution of this Agreement and the Bank's past practice. For each calendar year thereafter, during the Term of this Agreement, Employee will participate in the Employer's Executive Committee formulaic bonus program and will be eligible to earn up to 175% of his base salary in the form of a bonus determined and paid pursuant to the terms of such program.

3.3 **Signing Bonus**. As consideration for Employee's execution of this Agreement, including Employee's agreement to the covenants set forth in Section 5.3(b), Employee shall receive a one-time signing bonus of $1,275,000.00, less applicable withholdings (the "Signing Bonus"), which shall be paid to Employee within ten (10) Business Days following the Effective Time. Notwithstanding anything herein to the contrary, the amount of the Signing Bonus is subject to reduction to the extent necessary under Section 6.11 of this Agreement.

3.4 **Other Compensation**. Employee shall be eligible to participate in the stock-based incentive compensation programs administered by the Board of Directors of Bancshares pursuant to the terms of the plans then in effect and in accordance with Section 5.6 below.

3.5 **Cell Phone Allowance**. During the Term of this Agreement, Employer shall provide Employee with a monthly cell phone allowance of $100.00, subject to applicable taxes and withholdings, paid through the normal payroll practices of Employer.

ARTICLE IV

REIMBURSEMENT OF EMPLOYEE BUSINESS EXPENSES AND PARTICIPATION IN EMPLOYER BENEFIT PLANS

4.1 **Out of Pocket Expenses**. Employee is authorized to incur reasonable business expenses for promoting the business of Employer, including expenditures for entertainment, meals and travel and other similar business expenses, in accordance with Employer policy. Employer will reimburse Employee from time to time for all such business expenses; provided, that Employee presents Employer with appropriate documentation of such expenditures in accordance with Employer's established procedures relating to such reimbursements.

4.2 **Participation in Employer Benefit Plans**. Until the termination of Employee's employment, Employee will be eligible to participate in all compensation programs and employee benefit plans maintained by Employer from time to time and generally available to the officers and employees of Employer, subject to the terms of such programs and plans. Employer reserves the right to amend or cancel any compensation programs and employee benefit plans at any time in its sole discretion, subject to the terms of such programs and plans and applicable law.

4.3 **Reimbursements and In-Kind Benefits in General**. All reimbursements under this Agreement shall be paid to Employee as soon as administratively practicable after Employee has provided the appropriate documentation, but in no event shall any reimbursements be paid later than the last day of the calendar year following the calendar year in which the expense was incurred. Notwithstanding anything herein to the contrary, to the extent required by

Section 409A of the Code: (a) the amount of expenses eligible for reimbursement or in-kind benefits provided under this Agreement during a calendar year will not affect the expenses eligible for reimbursement or in-kind benefits provided in any other calendar year, and (b) the right to reimbursement or in-kind benefits provided under this Agreement shall not be subject to liquidation or exchange for another benefit.

ARTICLE V

RESTRICTIVE COVENANTS

5.1 **Confidential Information**. "Confidential Information" means and includes the Bank's and Employer's, and their affiliated entities', confidential or proprietary information or trade secrets. Confidential Information includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic or any other form or medium, including, but not limited to the following: information regarding past and current customers and investors and business affiliates and contractors; information regarding the industry not generally known to the public; strategies, methods, books, records, and documents; technical information concerning products, equipment, services, and processes; procurement procedures, pricing, and pricing techniques; including contact names, services provided, pricing, type and amount of services used, financial data; pricing strategies and price curves; positions; plans or strategies for expansion or acquisitions; budgets; research; financial and sales data; trading methodologies and terms; communications information; evaluations, opinions and interpretations of information and data; marketing and merchandising techniques; electronic databases; models; specifications; computer programs; contracts; bids or proposals; technologies and methods; training methods and processes; organizational structure; payments or rates paid to consultants or other service providers. Confidential Information includes any such information that Employee may originate, learn, have access to or obtain, whether in tangible form or memorized. Additionally, Employee recognizes that the Confidential Information is dynamic and ever-changing. Confidential Information does not include information that is generally available to and known by the public, provided that such disclosure to the public is through no direct or indirect fault of the Employee or person(s) acting on the Employee's behalf. Employee acknowledges that the Bank's and Employer's respective businesses are highly competitive, that this Confidential Information constitutes a valuable, special and unique asset used by each of the Bank and Employer in its business, and that protection of such Confidential Information against unauthorized disclosure and use is of critical importance to the Bank and Employer.

5.2 **Promises of Employer and the Bank**. The Bank promises and agrees that reasonably soon after the execution of this Agreement by Employee, the Bank shall provide Employee with Confidential Information in an expanded nature than that already provided to Employee by the Bank. In addition, Employer promises and agrees that, reasonably soon after the execution of this Agreement by Employee and during the Term and as part of the employment under this Agreement, Employer shall provide Employee with Confidential Information, which will enable Employee to perform his job for Employer. In addition, after the Effective Time, Employee will have immediate access to, or knowledge of, Confidential Information of third parties, such as actual and potential customers, suppliers, partners, joint ventures, investors, and financing sources of Employer. Employee acknowledges that: (a) the Bank and Employer have devoted substantial time, effort, and resources to develop and compile

the Confidential Information; (b) public disclosure of such Confidential Information would have an adverse effect on the businesses of the Bank and Employer; (c) the Bank and Employer would not disclose such information to the Employee, nor would the Bank or Employer employ or continue to employ the Employee without the agreements and covenants set forth in this Article V; and (d) the provisions of this Article V are reasonable and necessary to prevent the improper use or disclosure of Confidential Information.

5.3 **Employee's Promises**.

(a) **Non-Disclosure Obligations.** Employee agrees that Employee will not, at any time during the period of his employment with the Bank or Employer, and after the Employee's termination date, make any unauthorized disclosure, directly or indirectly, of any Confidential Information of the Bank or Employer, or confidential information belonging to third parties that was obtained by Employee during his employment with the Bank or Employer (excepting any third party confidential information provided to Employee independently of Employee's employment with the Bank or Employer), or make any use thereof, directly or indirectly, except in performance of Employee's duties for the Bank or Employer. Employee also agrees that Employee shall promptly deliver to the Bank or Employer, as directed, upon the termination of employment or at any other time at the Bank or Employer's request, without retaining any copies, all documents and other material in Employee's possession relating to any Confidential Information or other information of the Bank or Employer, or Confidential Information regarding third parties learned as an employee of the Bank or Employer.

(b) **Restrictive Covenants**. Ancillary to the consideration to be provided pursuant to this Agreement, including but not limited to the Bank's and Employer's agreement to provide Confidential Information to Employee and Employee's agreement not to disclose Confidential Information, and in order to protect the Confidential Information, Employee agrees to the non-competition and non-solicitation provisions set forth in this Section 5.3 (b)(1)-(2) (the "Restrictive Covenants"). Employee agrees that, for the Restricted Period, as defined below, Employee will not, except as an employee of the Bank or Employer, in any capacity for Employee or others, directly or indirectly:

(1) Non-Competition Obligations

(A) anywhere in the geographic area comprised of the Counties of: Collin, Dallas, Denton, Jack, Parker, Tarrant, Wise (collectively, the "Market Area"), (a) compete in, engage in, or contribute knowledge to, a business similar to or otherwise competitive with that of the Bank or Employer, or (b) compete in, engage in, or contribute knowledge to that type of business which the Bank or Employer (i) has plans to engage in, or (ii) has engaged in during the preceding twelve (12) month period if, in either the case of (i) or (ii), within the twenty-four (24) months before the termination of Employee's employment from Employer, Employee had access to information regarding the proposed plans or the business in which the Bank or Employer engaged;

(B) take any action to invest in, own, manage, operate, control, participate in, be employed or engaged by or be connected in any manner with any partnership, corporation or other business or entity engaging in a business similar to or

otherwise competitive with that of the Bank or Employer anywhere within the Market Area. Notwithstanding the foregoing, the Employee is permitted hereunder to own, directly or indirectly, up to one percent (1%) of the issued and outstanding securities of any publicly traded financial institution conducting business in the Market Area;

(2) Non-Solicitation Obligations

(A) call on, solicit, service, or attempt to do any of the foregoing with respect to, customers or prospective customers of the Bank or Employer if, within the twelve (12) months before the termination of Employee's employment with the Bank or Employer, Employee had material contact with the customer or prospective customer, or had obtained material information about the customer or prospective customer; or

(B) hire, retain, call on, solicit for hire or induce to leave employment, any individual who is or was an employee of the Bank or the Employer on the date of, or within the three (3) month period before the date of, such hire, retention, solicitation or inducement, provided that such individual is an individual whom Employee had contact with, knowledge of, or association with in the course of Employee's employment with the Bank or Employer, and Employee will not assist any other person or entity in such activities.

5.4 **Restricted Period**. The non-competition obligations set forth in Section 5.3(b)(1) shall apply from the Effective Time through the end of the Term, regardless of whether Employee's employment terminates prior to the end of the Term, and the non-solicitation obligations set forth in Section 5.3 (b)(2) shall apply from the Effective Time through the later of (a) the end of the Term, regardless of whether Employee's employment terminates prior to the end of the Term or (b) one (1) year following the date of Employee's termination of employment with the Bank, Employer or their affiliated entities (any transfer of employment between the Bank, the Employer, and any affiliated entities does not constitute termination of employment) (the restricted time period in the case of non-competition or non-solicitation, as applicable, is the "Restricted Period"). However, if the Merger Agreement is terminated for any reason before the Effective Time occurs, the Restrictive Covenants will not apply, all of the provisions of this Agreement will terminate, and there will be no liability of any kind under this Agreement.

5.5 **Restrictive Covenants Reasonable**. The parties to this Agreement hereby agree that the Restrictive Covenants set forth in this Article V are ancillary to this Agreement, which is an otherwise enforceable agreement. Employee agrees that his promises in this Article V are reasonable and reasonably necessary to protect the legitimate business interest of the Bank, the Employer, and their affiliated entities.

5.6 **Consideration.**

(a) In consideration for the above obligations of the Employee, on the fifth (5th) business day after the Effective Time, Employer shall deliver to Employee a restricted stock award agreement issued pursuant to the Prosperity Bancshares, Inc. 2012 Stock Incentive Plan granting to Employee 20,000 shares of Bancshares restricted common stock ("Restricted Stock"). The forfeiture restrictions applicable to the Restricted Stock shall lapse on the third (3rd) anniversary of the grant date, provided that Employee is employed by Employer on such date.

(b) The Bank promises and agrees that reasonably soon after the execution of this Agreement by Employee, it shall provide Employee with Confidential Information in an expanded nature than that already provided to Employee.

(c) In addition, after the Effective Time, Employer agrees to provide Employee with access to Confidential Information relating to Employer's business and to specialized training regarding Employer's methodologies and business strategies, which will enable Employee to perform his job for Employer. After the Effective Time, Employee also will have immediate access to, or knowledge of, new Confidential Information of third parties, such as actual and potential customers, suppliers, partners, joint venturers, investors, financing sources, etc. of Employer.

5.7 **Enforcement and Legal Remedies**. The Bank, Employer and Employee acknowledge and agree that breach of any of the covenants made by Employee in this Agreement would cause irreparable injury to the Bank or Employer, which could not sufficiently be remedied by monetary damages; and, therefore, that the Bank or Employer shall be entitled to obtain such equitable relief as declaratory judgments; temporary, preliminary and permanent injunctions, without posting of any bond, and order of specific performance to enforce those covenants or to prohibit any act or omission that constitutes a breach thereof.

5.8 **Tolling**. In the event that Employer shall file a lawsuit in any Court of competent jurisdiction alleging a breach of the Non-Competition Obligations by the Employee, then any time period set forth in this Agreement including the time periods set forth above, will be extended one month for each month the Employee was in breach of this Agreement, so that Employer is provided the benefit of the full Restricted Period.

ARTICLE VI

TERMINATION RIGHTS

6.1 **Termination for Cause by the Employer**. The Employer may terminate this Agreement and Employee's employment for Cause (as defined hereinafter), such termination to be effective immediately upon written notice to Employee. Any termination of Employee's employment under this Section 6.1 will not be in limitation of any other right or remedy which the Employer may have under this Agreement, at law, or in equity. The term "Cause" means (a) Employee's fraud, embezzlement, theft or misappropriation of funds or other property of the Employer or its affiliated entities, (b) self-dealing or gross negligence in the performance by Employee of his duties pursuant to this Agreement, (c) the repeated failure or refusal by Employee to perform his lawful duties to the Employer as provided herein, other than due to Disability, (d) the commission by Employee of any willful acts of bad faith or gross misconduct against the Employer or its affiliated entities, (e) the indictment of Employee for a felony or other criminal act involving dishonesty or other moral turpitude, whether or not relating to his employment with the Employer, (f) the material violation by Employee of a lawful, established policy or procedure of the Employer and (g) the Employee's material breach of any provision of

this Agreement; provided that with respect to clauses (c) and (f) and (g), Employer shall give Employee written notice of the breach or other failure on the part of Employee and the actions necessary to correct such breach, if applicable. If Employee fails to cure the breach or failure within fifteen (15) days of receipt of such notice or if the breach or failure is incurable, Employer may proceed to terminate Employee's employment for Cause without further notice.

6.2 **Termination by Employer Upon Employee's Disability**. The Employer may terminate this Agreement and Employee's employment upon a determination of Disability (as defined below), such termination to be effective immediately upon written notice to Employee. The term "Disability" means Employee's inability to perform his usual services to the Employer because of mental or physical illness or injury for the consecutive days as defined in the Employer's disability policy then in effect, which inability to perform will be determined by a physician reasonably selected by the Employer.

6.3 **Termination Upon Employee's Death**. In the event of Employee's death, this Agreement and Employee's employment under this Agreement shall immediately terminate.

6.4 **Termination by Employer Other Than for Cause, Disability or Death**. Notwithstanding anything to the contrary contained in this Agreement, the Employer may terminate this Agreement and Employee's employment under this Agreement for any or no reason during the Term (i.e., other than for Cause or Disability), such termination to be effective immediately upon the giving of written notice to Employee from the Employer.

6.5 **Termination by Employee**. Employee shall have the right, at his election and for any reason prior to the expiration of the Term of this Agreement, to voluntarily terminate this Agreement and his employment with Employer without Good Reason upon thirty (30) days' written notice. Such notice requirement may be waived by Employer at its sole discretion. Employee shall have the right to terminate this Agreement and his employment with Employer for Good Reason, as set forth in Section 6.7(b) below.

6.6 **Termination by Expiration**. This Agreement shall terminate upon the expiration of the Term. Although the Agreement shall expire, Employee's employment with Employer shall not automatically terminate upon expiration of the Term.

6.7 **Certain Payments Following Termination of Employment**.

(a) If, during the Term of this Agreement, Employee's employment with the Employer is terminated by the Employer for Cause or Disability, or if Employee voluntarily terminates employment with the Employer without Good Reason, Employee shall thereafter be entitled to receive from the Employer payment of any accrued but unpaid Base Salary, less applicable taxes, withholding, and deductions, through the date of employment termination and expense reimbursements through the date of such termination for which Employee is entitled to reimbursement in accordance with Section 4.1 (collectively, the "Accrued Benefits"), and Employee's Restrictive Covenants set forth in Article V shall continue during the Restricted Period. For the avoidance of doubt, the Accrued Benefits do not include the yet to be accrued Base Salary that Employee would have earned had his employment not terminated prior to the expiration of the Term.

(b) If, during the Term of this Agreement, Employee's employment with the Employer is terminated during the Term by the Employer for any reason other than for Cause or Disability, or if Employee terminates his employment with Employer for Good Reason, Employee shall be entitled to receive from the Employer (1) the Accrued Benefits (payable within thirty (30) days after the date of termination), and (2) provided Employee has executed a release in a form reasonably acceptable to the Employer and such release has become effective prior to the sixtieth (60th) day following the date of termination, Employee shall be entitled to (A) a lump sum payment equal to payment of Base Salary for the remaining portion of the Term of this Agreement, less applicable statutory deductions, payable on the sixtieth (60th) day following the date of termination, and (B) the forfeiture restrictions applicable to the Restricted Stock set forth in Section 5.6 hereof shall lapse on a pro rata basis at a rate of 33% for each full year of employment completed during the Term. Further, Employee's obligations set forth in Article V shall continue during the Restricted Period. The term "Good Reason" means the occurrence of any of the following events without Employee's consent: (i) a reduction in the Employee's Base Salary that does not apply to similarly-situated employees of the Employer; (ii) relocation of the geographic location of Employee's principal place of employment by more than fifty-five (55) miles from his principal place of employment; (iii) a material and sustained reduction in Employee's material duties or material responsibilities; (iv) a material and adverse change in Employee's titles with the Employer; (v) a material breach by the Employer of this Agreement; *provided* that, in each case: (1) Employee shall provide the Employer, within thirty (30) days of the occurrence of the circumstances alleged to constitute Good Reason, with written notice specifying the circumstances alleged to constitute Good Reason and the Employer shall have thirty (30) days following receipt of such notice to cure such circumstances; and (2) if the Employer has not cured such circumstances within such thirty (30) day period, Employee shall terminate his employment not later than sixty (60) days after the end of such thirty (30) day period.

(c) If Employee's employment with the Employer is terminated upon Employee's death, Employee's legal representatives shall thereafter be entitled to receive from the Employer payment of the Accrued Benefits within thirty (30) days after the date of death, and Employee's Non-Competition Obligations set forth in Article V shall automatically cease.

(d) If this Agreement terminates by expiration, as set forth in Section 6.6, Employee shall be entitled to receive the Accrued Benefits, and Employee's Restrictive Covenants set forth in Article V shall continue during the Restricted Period.

6.8 **Code Section 409A**.

(a) Notwithstanding any provision of this Agreement to the contrary, if at the time of Employee's termination of employment with Employer, Employee is a "specified employee" as defined in Section 409A of the Code, then to the extent that any amount to which Employee is entitled in connection with the termination of his employment is subject to Section 409A of the Code, payments of such amounts to which Employee would otherwise be entitled during the six (6) month period following Employee's termination of employment will be accumulated and paid in a lump sum on the first day of the seventh month after the date of Employee's termination of employment. The first sentence of this paragraph shall apply only to the extent required to avoid Employee's incurrence of any additional tax or interest under Section 409A of the Code or any regulations or Treasury guidance promulgated thereunder.

(b) Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A of the Code or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A of the Code.

(c) If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A of the Code or any regulations or Treasury guidance promulgated thereunder, Employer may reform such provision; *provided*, that Employer shall (1) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A of the Code and (2) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

6.9 **Return of Property**. Upon Employee's termination of employment for any reason, or at any time upon Employer's request, Employee (or Employee's executor or personal representative in the event of Employee's death or Disability) shall immediately return to the Employer all property of the Employer, including, but not limited to, all keys, credit cards and all other property of the Employer in Employee's possession.

6.10 **Resignation of All Other Positions.** Upon termination of the Employee's employment for any reason, the Employee shall be deemed to have resigned from all positions that the Employee holds as an officer or member of the Board (or a committee thereof) of Employer, the Bank, or any of their affiliates.

6.11 **Code Section 280G**. If any of the payments or benefits received or to be received by Employee (including, without limitation, any payment or benefits received in connection with a change in control or Employee's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement, or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 6.11, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then such 280G Payments shall be reduced in a manner determined by the Employer that is consistent with the requirements of Section 409A until no amount payable to Employee will be subject to the Excise Tax.

ARTICLE VII

GENERAL PROVISIONS

7.1 **Notices**. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in the introductory paragraph of the Agreement, but each party may change its address

by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three (3) days after mailing.

7.2 **Entire Agreement**. This Agreement sets forth the entire agreement of the parties relating to the subject matter hereof, and, effective after the Effective Time, supersedes any other employment agreements or understandings, written or oral, between the Employer or its predecessors and the Employee, including, without limitation, the Prior Agreement. The Employee has no oral representations, understandings or agreements with the Bank or Employer or any of their officers, directors or representatives covering the same subject matters as this Agreement. The Agreement is the final, complete and exclusive statement and expression of the agreement between the Bank, Employer and the Employee and of all the terms of this Agreement, and it cannot be varied, contradicted or supplemented by evidence of any prior or contemporaneous oral or written agreements.

7.3 **Governing Law**. All questions concerning the validity, operation and interpretation of this Agreement and the performance of the obligations imposed upon the parties hereunder shall be governed by the laws of the State of Texas. Exclusive venue of any dispute relating to this Agreement shall be, and is convenient in, Harris County, Texas. Employee agrees that he will not contest venue in Harris County, Texas or the application of Texas laws to any dispute relating to, connected with or arising under this Agreement.

7.4 **Modification**. This Agreement shall not be amended, modified, or altered in any manner except in writing signed by both parties.

7.5 **Failure to Enforce Not Waiver**. Any failure or delay on the part of the Bank, Employer or Employee to exercise any remedy or right under this Agreement shall not operate as a waiver. The failure of either party to require performance of any of the terms, covenants or provisions of this Agreement by the other party shall not constitute a waiver of any of the rights under the Agreement. No forbearance by either party to exercise any rights or privileges under this Agreement shall be construed as a waiver, but all rights and privileges shall continue in effect as if no forbearance had occurred. No covenant or condition of this Agreement may be waived except by the written consent of the waiving party. Any such written waiver of any term of this Agreement shall be effective only in the specific instance and for the specific purpose given.

7.6 **Survival**. Notwithstanding anything in this Agreement to the contrary, upon the expiration or other termination of this Agreement following the Effective Time, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the mutual intention of the parties under this Agreement, including, without limitation, the provisions of Article V.

7.7 **Partial Invalidity**. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall remain in full force and effect, as if this Agreement has been executed without any such invalid provisions having been included. Such invalid provision shall be reformed in a manner that is both (i) legal and enforceable, and (ii) most closely represents the parties' original intent.

7.8 **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

7.9 **Successors and Assigns**. This Agreement shall be binding upon and shall inure to the benefit of the Bank, Employer and Employee, and their respective heirs, executors, administrators, successors and assigns, including, without limitation, any successor by merger, consolidation or stock purchase of the Bank, Employer and any entity or person that acquires all or substantially all of the assets of the Bank or Employer.

[*Signature Page Immediately Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Employment Agreement to be duly executed as of the date first written above.

PROSPERITY BANK
EMPLOYER

By: /s/ David Zalman
Name: David Zalman
Title: Senior Chairman and Chief Executive Officer

LEGACYTEXAS BANK
THE BANK

By: /s/ Kevin J. Hanigan
Name: Kevin J. Hanigan
Title: President and CEO

EMPLOYEE

/s/ Kevin J. Hanigan
Kevin J. Hanigan

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Section 4: EX-10.2 (EX-10.2)

Exhibit 10.2

EXECUTIVE EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is made the 16th day of June, 2019, by and among PROSPERITY BANK, a Texas banking association having a principal place of business at 1301 North Mechanic Street, El Campo, Texas 77437 ("Employer"), LEGACYTEXAS BANK, a Texas banking association having a principal place of business at 5851 Legacy Circle, Suite 1200, Plano, Texas 75024 (the "Bank") and J. Mays Davenport, an individual who resides in the State of Texas ("Employee").

WHEREAS, this Agreement is being entered into in connection with the Agreement and Plan of Reorganization, dated as of June 16, 2019 (the "Merger Agreement"), by and between Prosperity Bancshares, Inc., a Texas corporation ("Bancshares"), and LegacyTexas Financial Group, Inc., a Maryland corporation (the "Company"); and

WHEREAS, Employee's agreement to and compliance with the provisions of Article V of this Agreement are a material factor, material inducement and material condition to Bancshares' participation in the transactions contemplated by the Merger Agreement. Moreover, Employee acknowledges that a substantial portion of the value of the transactions contemplated by the Merger Agreement is Employee's promises to refrain from competing with the Bank, Employer, or Bancshares as set forth in Article V hereof; and

WHEREAS, prior to the entry into the Merger Agreement, Employee was an officer of the Bank and is receiving a considerable benefit as a result of the transactions contemplated by the Merger Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, and intending to be legally bound hereby, it is hereby agreed as follows:

ARTICLE I

TERM OF EMPLOYMENT

1.1 **Term.** Provided that Employee is employed by the Bank immediately preceding the Effective Time (as defined in the Merger Agreement), Employer hereby employs Employee and Employee hereby accepts employment with Employer under this Agreement for a period of three (3) years (the "Term") beginning as of the Effective Time; provided, however, that this Agreement may be terminated earlier as hereinafter provided. However, if (i) the Merger Agreement is terminated for any reason, (ii) Employee's employment with the Bank terminates for any reason, or (iii) the Prior Agreement (as defined below) is not terminated and liquidated in accordance with Section 1.2 hereof, in each case, before the Effective Time occurs, (a) Employee will not be employed under this Agreement and all of the provisions of this Agreement will terminate upon the earlier of the time of termination of the Merger Agreement or the time of termination of Employee's employment with the Bank or, in the case of (iii) above, immediately prior to the Effective Time, and (b) there will be no liability of any kind under this Agreement. Subject to Section 7.6 below, this Agreement shall terminate automatically upon the expiration of the Term.

1.2 **Termination of Prior Agreement.** The Bank and Employee are parties to that certain Change in Control and Severance Benefits Agreement dated November 25, 2013 (the "Prior Agreement"), which provides for severance benefits pursuant to its terms and conditions. The Bank and Employee hereby agree to take action to terminate and fully liquidate the Prior Agreement in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulation Section 1.409A-3(j)(4)(ix)(B) within thirty (30) days prior to the Effective Time. In connection with such termination and liquidation, Employee acknowledges that he will not receive Transaction Payments (as defined in the Prior Agreement) in an aggregate amount greater than the Reduced Payment (as defined in the Prior Agreement). The Bank and Employee agree that the Prior Agreement shall not be deemed to be terminated unless and until the requirements of Treasury Regulation Section 1.409A-3(j)(4)(ix)(B) are satisfied, including the requirement that any other agreements, methods, programs and other arrangements that are required to be aggregated with the Prior Agreement are terminated and liquidated. Employee acknowledges that, upon the termination of the Prior Agreement, Employee shall have no further rights under the Prior Agreement. Employee acknowledges that the benefits that Employee will receive pursuant to this Agreement constitute consideration to which Employee is not otherwise entitled and is adequate consideration to support termination of the Prior Agreement and replacement by this Agreement.

ARTICLE II

TITLE AND DUTIES OF EMPLOYEE

2.1 **Title**. As of the Effective Time, Employee is hereby employed by Employer as Senior Executive Vice President & Director of Corporate Strategy.

2.2 **Primary Duties**. Employee shall perform such duties as are consistent with Employee's title set forth above in Section 2.1, and shall perform such other work as may be assigned to him subject to the instructions, directions, and control of Employer, which shall be consistent with the type and nature of work normally performed by senior banking officers and as may be assigned by Employer from time to time.

2.3 **Engaging in Other Employment**. While employed by Employer, Employee shall devote all of his entire productive time, ability, and attention to the business of Employer during Employer's normal business hours.

ARTICLE III

COMPENSATION

3.1 **Base Salary**. As compensation for employment services rendered under this Agreement, Employee shall be entitled to receive from Employer an annual rate of salary ("Base Salary") of $415,000.00, subject to applicable taxes and withholdings, paid semi-monthly and prorated for any partial employment period during the Term of this Agreement. The Base Salary shall not be reduced during the Term of this Agreement, but may be increased, in Employer's sole discretion, in accordance with the then existing procedures of Employer.

3.2 **Bonus**. Prior to the Effective Time, Employee will be paid a bonus by the Bank for the 2019 calendar year, which bonus shall be consistent with the Bank's bonus program in effect as of the date of execution of this Agreement and the Bank's past practice. For each calendar year thereafter, during the Term of this Agreement, Employee will participate in the Employer's Executive Committee formulaic bonus program and will be eligible to earn up to 100% of his base salary in the form of a bonus determined and paid pursuant to the terms of such program.

3.3 **Signing Bonus**. As consideration for Employee's execution of this Agreement, including Employee's agreement to the covenants set forth in Section 5.3(b), Employee shall receive a one-time signing bonus of $225,000.00, less applicable withholdings (the "Signing Bonus"), which shall be paid to Employee within ten (10) Business Days following the Effective Time. Notwithstanding anything herein to the contrary, the amount of the Signing Bonus is subject to reduction to the extent necessary under Section 6.11 of this Agreement.

3.4 **Other Compensation**. Employee shall be eligible to participate in the stock-based incentive compensation programs administered by the Board of Directors of Bancshares pursuant to the terms of the plans then in effect and in accordance with Section 5.6 below.

3.5 **Automobile Allowance**. During the Term of this Agreement, Employer shall provide Employee with a monthly automobile allowance of $600.00, subject to applicable taxes and withholdings, paid through the normal payroll practices of Employer.

3.6 **Cell Phone Allowance**. During the Term of this Agreement, Employer shall provide Employee with a monthly cell phone allowance of $100.00, subject to applicable taxes and withholdings, paid through the normal payroll practices of Employer.

ARTICLE IV

REIMBURSEMENT OF EMPLOYEE BUSINESS EXPENSES AND PARTICIPATION IN EMPLOYER BENEFIT PLANS

4.1 **Out of Pocket Expenses**. Employee is authorized to incur reasonable business expenses for promoting the business of Employer, including expenditures for entertainment, meals and travel and other similar business expenses, in accordance with Employer policy. Employer will reimburse Employee from time to time for all such business expenses; provided, that Employee presents Employer with appropriate documentation of such expenditures in accordance with Employer's established procedures relating to such reimbursements.

4.2 **Participation in Employer Benefit Plans**. Until the termination of Employee's employment, Employee will be eligible to participate in all compensation programs and employee benefit plans maintained by Employer from time to time and generally available to the officers and employees of Employer, subject to the terms of such programs and plans. Employer reserves the right to amend or cancel any compensation programs and employee benefit plans at any time in its sole discretion, subject to the terms of such programs and plans and applicable law.

4.3 **Reimbursements and In-Kind Benefits in General**. All reimbursements under this Agreement shall be paid to Employee as soon as administratively practicable after Employee has provided the appropriate documentation, but in no event shall any reimbursements be paid later than the last day of the calendar year following the calendar year in which the expense was incurred. Notwithstanding anything herein to the contrary, to the extent required by Section 409A of the Code: (a) the amount of expenses eligible for reimbursement or in-kind benefits provided under this Agreement during a calendar year will not affect the expenses eligible for reimbursement or in-kind benefits provided in any other calendar year, and (b) the right to reimbursement or in-kind benefits provided under this Agreement shall not be subject to liquidation or exchange for another benefit.

ARTICLE V

RESTRICTIVE COVENANTS

5.1 **Confidential Information**. "Confidential Information" means and includes the Bank's and Employer's, and their affiliated entities', confidential or proprietary information or trade secrets. Confidential Information includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic or any other form or medium, including, but not limited to the following: information regarding past and current customers and investors and business affiliates and contractors; information regarding the industry not generally known to the public; strategies, methods, books, records, and documents; technical information concerning products, equipment, services, and processes; procurement procedures, pricing, and pricing techniques; including contact names, services provided, pricing, type and amount of services used, financial data; pricing strategies and price curves; positions; plans or strategies for expansion or acquisitions; budgets; research; financial and sales data; trading methodologies and terms; communications information; evaluations, opinions and interpretations of information and data; marketing and merchandising techniques; electronic databases; models; specifications; computer programs; contracts; bids or proposals; technologies and methods; training methods and processes; organizational structure; payments or rates paid to consultants or other service providers. Confidential Information includes any such information that Employee may originate, learn, have access to or obtain, whether in tangible form or memorized. Additionally, Employee recognizes that the Confidential Information is dynamic and ever-changing. Confidential Information does not include information that is generally available to and known by the public, provided that such disclosure to the public is through no direct or indirect fault of the Employee or person(s) acting on the Employee's behalf. Employee acknowledges that the Bank's and Employer's respective businesses are highly competitive, that this Confidential Information constitutes a valuable, special and unique asset used by each of the Bank and Employer in its business, and that protection of such Confidential Information against unauthorized disclosure and use is of critical importance to the Bank and Employer.

5.2 **Promises of Employer and the Bank**. The Bank promises and agrees that reasonably soon after the execution of this Agreement by Employee, the Bank shall provide Employee with Confidential Information in an expanded nature than that already provided to Employee by the Bank. In addition, Employer promises and agrees that, reasonably soon after the execution of this Agreement by Employee and during the Term and as part of the employment under this Agreement, Employer shall provide Employee with Confidential Information, which will enable Employee to perform his job for Employer. In addition, after the Effective Time, Employee will have immediate access to, or knowledge of, Confidential

Information of third parties, such as actual and potential customers, suppliers, partners, joint ventures, investors, and financing sources of Employer. Employee acknowledges that: (a) the Bank and Employer have devoted substantial time, effort, and resources to develop and compile the Confidential Information; (b) public disclosure of such Confidential Information would have an adverse effect on the businesses of the Bank and Employer; (c) the Bank and Employer would not disclose such information to the Employee, nor would the Bank or Employer employ or continue to employ the Employee without the agreements and covenants set forth in this Article V; and (d) the provisions of this Article V are reasonable and necessary to prevent the improper use or disclosure of Confidential Information.

5.3 **Employee's Promises**.

(a) **Non-Disclosure Obligations.** Employee agrees that Employee will not, at any time during the period of his employment with the Bank or Employer, and after the Employee's termination date, make any unauthorized disclosure, directly or indirectly, of any Confidential Information of the Bank or Employer, or confidential information belonging to third parties that was obtained by Employee during his employment with the Bank or Employer (excepting any third party confidential information provided to Employee independently of Employee's employment with the Bank or Employer), or make any use thereof, directly or indirectly, except in performance of Employee's duties for the Bank or Employer. Employee also agrees that Employee shall promptly deliver to the Bank or Employer, as directed, upon the termination of employment or at any other time at the Bank or Employer's request, without retaining any copies, all documents and other material in Employee's possession relating to any Confidential Information or other information of the Bank or Employer, or Confidential Information regarding third parties learned as an employee of the Bank or Employer.

(b) **Restrictive Covenants**. Ancillary to the consideration to be provided pursuant to this Agreement, including but not limited to the Bank's and Employer's agreement to provide Confidential Information to Employee and Employee's agreement not to disclose Confidential Information, and in order to protect the Confidential Information, Employee agrees to the non-competition and non-solicitation provisions set forth in this Section 5.3 (b)(1)-(2) (the "Restrictive Covenants"). Employee agrees that, for the Restricted Period, as defined below, Employee will not, except as an employee of the Bank or Employer, in any capacity for Employee or others, directly or indirectly:

(1) Non-Competition Obligations

(A) anywhere in the geographic area comprised of the Counties of: Collin, Dallas, Denton, Jack, Parker, Tarrant, Wise (collectively, the "Market Area"), (a) compete in, engage in, or contribute knowledge to, a business similar to or otherwise competitive with that of the Bank or Employer, or (b) compete in, engage in, or contribute knowledge to that type of business which the Bank or Employer (i) has plans to engage in, or (ii) has engaged in during the preceding twelve (12) month period if, in either the case of (i) or (ii), within the twenty-four (24) months before the termination of Employee's employment from Employer, Employee had access to information regarding the proposed plans or the business in which the Bank or Employer engaged;

(B) take any action to invest in, own, manage, operate, control, participate in, be employed or engaged by or be connected in any manner with any partnership, corporation or other business or entity engaging in a business similar to or otherwise competitive with that of the Bank or Employer anywhere within the Market Area. Notwithstanding the foregoing, the Employee is permitted hereunder to own, directly or indirectly, up to one percent (1%) of the issued and outstanding securities of any publicly traded financial institution conducting business in the Market Area;

(2) Non-Solicitation Obligations

(A) call on, solicit, service, or attempt to do any of the foregoing with respect to, customers or prospective customers of the Bank or Employer if, within the twelve (12) months before the termination of Employee's employment with the Bank or Employer, Employee had material contact with the customer or prospective customer, or had obtained material information about the customer or prospective customer; or

(B) hire, retain, call on, solicit for hire or induce to leave employment, any individual who is or was an employee of the Bank or the Employer on the date of, or within the three (3) month period before the date of, such hire, retention, solicitation or inducement, provided that such individual is an individual whom Employee had contact with, knowledge of, or association with in the course of Employee's employment with the Bank or Employer, and Employee will not assist any other person or entity in such activities.

Notwithstanding anything else provided herein, if Employee is a licensed attorney, securities broker or real estate broker or agent, or certified public accountant, Employee shall not be prohibited from representing or serving as an agent for any insured depository institution or holding company thereof or other individual or entity in such capacity.

5.4 **Restricted Period**. The non-competition obligations set forth in Section 5.3(b)(1) shall apply from the Effective Time through the end of the Term, regardless of whether Employee's employment terminates prior to the end of the Term, and the non-solicitation obligations set forth in Section 5.3 (b)(2) shall apply from the Effective Time through the later of (a) the end of the Term, regardless of whether Employee's employment terminates prior to the end of the Term or (b) one (1) year following the date of Employee's termination of employment with the Bank, Employer or their affiliated entities (any transfer of employment between the Bank, the Employer, and any affiliated entities does not constitute termination of employment) (the restricted time period in the case of non-competition or non-solicitation, as applicable, is the "Restricted Period"). However, if the Merger Agreement is terminated for any reason before the Effective Time occurs, the Restrictive Covenants will not apply, all of the provisions of this Agreement will terminate, and there will be no liability of any kind under this Agreement.

5.5 **Restrictive Covenants Reasonable**. The parties to this Agreement hereby agree that the Restrictive Covenants set forth in this Article V are ancillary to this Agreement, which is an otherwise enforceable agreement. Employee agrees that his promises in this Article V are reasonable and reasonably necessary to protect the legitimate business interest of the Bank, the Employer, and their affiliated entities.

5.6 **Consideration.**

(a) In consideration for the above obligations of the Employee, on the fifth (5th) business day after the Effective Time, Employer shall deliver to Employee a restricted stock award agreement issued pursuant to the Prosperity Bancshares, Inc. 2012 Stock Incentive Plan granting to Employee 10,000 shares of Bancshares restricted common stock ("Restricted Stock"). The forfeiture restrictions applicable to the Restricted Stock shall lapse on the third (3rd) anniversary of the grant date, provided that Employee is employed by Employer on such date.

(b) The Bank promises and agrees that reasonably soon after the execution of this Agreement by Employee, it shall provide Employee with Confidential Information in an expanded nature than that already provided to Employee.

(c) In addition, after the Effective Time, Employer agrees to provide Employee with access to Confidential Information relating to Employer's business and to specialized training regarding Employer's methodologies and business strategies, which will enable Employee to perform his job for Employer. After the Effective Time, Employee also will have immediate access to, or knowledge of, new Confidential Information of third parties, such as actual and potential customers, suppliers, partners, joint venturers, investors, financing sources, etc. of Employer.

5.7 **Enforcement and Legal Remedies**. The Bank, Employer and Employee acknowledge and agree that breach of any of the covenants made by Employee in this Agreement would cause irreparable injury to the Bank or Employer, which could not sufficiently be remedied by monetary damages; and, therefore, that the Bank or Employer shall be entitled to obtain such equitable relief as declaratory judgments; temporary, preliminary and permanent injunctions, without posting of any bond, and order of specific performance to enforce those covenants or to prohibit any act or omission that constitutes a breach thereof.

5.8 **Tolling**. In the event that Employer shall file a lawsuit in any Court of competent jurisdiction alleging a breach of the Non-Competition Obligations by the Employee, then any time period set forth in this Agreement including the time periods set forth above, will be extended one month for each month the Employee was in breach of this Agreement, so that Employer is provided the benefit of the full Restricted Period.

ARTICLE VI

TERMINATION RIGHTS

6.1 **Termination for Cause by the Employer**. The Employer may terminate this Agreement and Employee's employment for Cause (as defined hereinafter), such termination to be effective immediately upon written notice to Employee. Any termination of Employee's employment under this Section 6.1 will not be in limitation of any other right or remedy which the Employer may have under this Agreement, at law, or in equity. The term "Cause" means (a) Employee's fraud, embezzlement, theft or misappropriation of funds or other property of the Employer or its affiliated entities, (b) self-dealing or gross negligence in the performance by

Employee of his duties pursuant to this Agreement, (c) the repeated failure or refusal by Employee to perform his lawful duties to the Employer as provided herein, other than due to Disability, (d) the commission by Employee of any willful acts of bad faith or gross misconduct against the Employer or its affiliated entities, (e) the indictment of Employee for a felony or other criminal act involving dishonesty or other moral turpitude, whether or not relating to his employment with the Employer, (f) the material violation by Employee of a lawful, established policy or procedure of the Employer and (g) the Employee's material breach of any provision of this Agreement; provided that with respect to clauses (c) and (f) and (g), Employer shall give Employee written notice of the breach or other failure on the part of Employee and the actions necessary to correct such breach, if applicable. If Employee fails to cure the breach or failure within fifteen (15) days of receipt of such notice or if the breach or failure is incurable, Employer may proceed to terminate Employee's employment for Cause without further notice.

6.2 **Termination by Employer Upon Employee's Disability**. The Employer may terminate this Agreement and Employee's employment upon a determination of Disability (as defined below), such termination to be effective immediately upon written notice to Employee. The term "Disability" means Employee's inability to perform his usual services to the Employer because of mental or physical illness or injury for the consecutive days as defined in the Employer's disability policy then in effect, which inability to perform will be determined by a physician reasonably selected by the Employer.

6.3 **Termination Upon Employee's Death**. In the event of Employee's death, this Agreement and Employee's employment under this Agreement shall immediately terminate.

6.4 **Termination by Employer Other Than for Cause, Disability or Death**. Notwithstanding anything to the contrary contained in this Agreement, the Employer may terminate this Agreement and Employee's employment under this Agreement for any or no reason during the Term (i.e., other than for Cause or Disability), such termination to be effective immediately upon the giving of written notice to Employee from the Employer.

6.5 **Termination by Employee**. Employee shall have the right, at his election and for any reason prior to the expiration of the Term of this Agreement, to voluntarily terminate this Agreement and his employment with Employer upon thirty (30) days' written notice. Such notice requirement may be waived by Employer at its sole discretion.

6.6 **Termination by Expiration**. This Agreement shall terminate upon the expiration of the Term. Although the Agreement shall expire, Employee's employment with Employer shall not automatically terminate upon expiration of the Term.

6.7 **Certain Payments Following Termination of Employment**.

(a) If, during the Term of this Agreement, Employee's employment with the Employer is terminated by the Employer for Cause or Disability, or if Employee voluntarily terminates employment with the Employer, Employee shall thereafter be entitled to receive from the Employer payment of any accrued but unpaid Base Salary, less applicable taxes, withholding, and deductions, through the date of employment termination and expense reimbursements through the date of such termination for which Employee is entitled to reimbursement in

accordance with Section 4.1 (collectively, the "Accrued Benefits"), and Employee's Restrictive Covenants set forth in Article V shall continue during the Restricted Period. For the avoidance of doubt, the Accrued Benefits do not include the yet to be accrued Base Salary that Employee would have earned had his employment not terminated prior to the expiration of the Term.

(b) If, during the Term of this Agreement, Employee's employment with the Employer is terminated during the Term by the Employer for any reason other than for Cause or Disability, Employee shall be entitled to receive from the Employer (1) the Accrued Benefits (payable within thirty (30) days after the date of termination), and (2) provided Employee has executed a release in a form reasonably acceptable to the Employer and such release has become effective prior to the sixtieth (60th) day following the date of termination, Employee shall be entitled to (A) a lump sum payment equal to payment of Base Salary for the remaining portion of the Term of this Agreement, less applicable statutory deductions, payable on the sixtieth (60th) day following the date of termination, and (B) the forfeiture restrictions applicable to the Restricted Stock set forth in Section 5.6 hereof shall lapse on a pro rata basis at a rate of 33% for each full year of employment completed during the Term. Further, Employee's obligations set forth in Article V shall continue during the Restricted Period.

(c) If Employee's employment with the Employer is terminated upon Employee's death, Employee's legal representatives shall thereafter be entitled to receive from the Employer payment of the Accrued Benefits within thirty (30) days after the date of death, and Employee's Non-Competition Obligations set forth in Article V shall automatically cease.

(d) If this Agreement terminates by expiration, as set forth in Section 6.6, Employee shall be entitled to receive the Accrued Benefits, and Employee's Restrictive Covenants set forth in Article V shall continue during the Restricted Period.

6.8 **Code Section 409A**.

(a) Notwithstanding any provision of this Agreement to the contrary, if at the time of Employee's termination of employment with Employer, Employee is a "specified employee" as defined in Section 409A of the Code, then to the extent that any amount to which Employee is entitled in connection with the termination of his employment is subject to Section 409A of the Code, payments of such amounts to which Employee would otherwise be entitled during the six (6) month period following Employee's termination of employment will be accumulated and paid in a lump sum on the first day of the seventh month after the date of Employee's termination of employment. The first sentence of this paragraph shall apply only to the extent required to avoid Employee's incurrence of any additional tax or interest under Section 409A of the Code or any regulations or Treasury guidance promulgated thereunder.

(b) Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A of the Code or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A of the Code.

(c) If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A of the Code or any regulations or Treasury guidance promulgated thereunder, Employer may reform such provision; *provided*, that Employer shall (1) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A of the Code and (2) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

6.9 **Return of Property**. Upon Employee's termination of employment for any reason, or at any time upon Employer's request, Employee (or Employee's executor or personal representative in the event of Employee's death or Disability) shall immediately return to the Employer all property of the Employer, including, but not limited to, all keys, credit cards and all other property of the Employer in Employee's possession.

6.10 **Resignation of All Other Positions.** Upon termination of the Employee's employment for any reason, the Employee shall be deemed to have resigned from all positions that the Employee holds as an officer or member of the Board (or a committee thereof) of Employer, the Bank, or any of their affiliates.

6.11 **Code Section 280G**. If any of the payments or benefits received or to be received by Employee (including, without limitation, any payment or benefits received in connection with a change in control or Employee's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement, or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 6.11, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then such 280G Payments shall be reduced in a manner determined by the Employer that is consistent with the requirements of Section 409A until no amount payable to Employee will be subject to the Excise Tax.

ARTICLE VII

GENERAL PROVISIONS

7.1 **Notices**. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in the introductory paragraph of the Agreement, but each party may change its address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three (3) days after mailing.

7.2 **Entire Agreement**. This Agreement sets forth the entire agreement of the parties relating to the subject matter hereof, and, effective after the Effective Time, supersedes any other employment agreements or understandings, written or oral, between the Employer or its predecessors and the Employee, including, without limitation, the Prior Agreement. The Employee has no oral representations, understandings or agreements with the Bank or Employer

or any of their officers, directors or representatives covering the same subject matters as this Agreement. The Agreement is the final, complete and exclusive statement and expression of the agreement between the Bank, Employer and the Employee and of all the terms of this Agreement, and it cannot be varied, contradicted or supplemented by evidence of any prior or contemporaneous oral or written agreements.

7.3 **Governing Law**. All questions concerning the validity, operation and interpretation of this Agreement and the performance of the obligations imposed upon the parties hereunder shall be governed by the laws of the State of Texas. Exclusive venue of any dispute relating to this Agreement shall be, and is convenient in, Harris County, Texas. Employee agrees that he will not contest venue in Harris County, Texas or the application of Texas laws to any dispute relating to, connected with or arising under this Agreement.

7.4 **Modification**. This Agreement shall not be amended, modified, or altered in any manner except in writing signed by both parties.

7.5 **Failure to Enforce Not Waiver**. Any failure or delay on the part of the Bank, Employer or Employee to exercise any remedy or right under this Agreement shall not operate as a waiver. The failure of either party to require performance of any of the terms, covenants or provisions of this Agreement by the other party shall not constitute a waiver of any of the rights under the Agreement. No forbearance by either party to exercise any rights or privileges under this Agreement shall be construed as a waiver, but all rights and privileges shall continue in effect as if no forbearance had occurred. No covenant or condition of this Agreement may be waived except by the written consent of the waiving party. Any such written waiver of any term of this Agreement shall be effective only in the specific instance and for the specific purpose given.

7.6 **Survival**. Notwithstanding anything in this Agreement to the contrary, upon the expiration or other termination of this Agreement following the Effective Time, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the mutual intention of the parties under this Agreement, including, without limitation, the provisions of Article V.

7.7 **Partial Invalidity**. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall remain in full force and effect, as if this Agreement has been executed without any such invalid provisions having been included. Such invalid provision shall be reformed in a manner that is both (i) legal and enforceable, and (ii) most closely represents the parties' original intent.

7.8 **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

7.9 **Successors and Assigns**. This Agreement shall be binding upon and shall inure to the benefit of the Bank, Employer and Employee, and their respective heirs, executors, administrators, successors and assigns, including, without limitation, any successor by merger, consolidation or stock purchase of the Bank, Employer and any entity or person that acquires all or substantially all of the assets of the Bank or Employer.

[*Signature Page Immediately Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Employment Agreement to be duly executed as of the date first written above.

PROSPERITY BANK
EMPLOYER

By: /s/ David Zalman
Name: David Zalman
Title: Senior Chairman and Chief Executive Officer

LEGACYTEXAS BANK
THE BANK

By: /s/ Kevin J. Hanigan
Name: Kevin J. Hanigan
Title: President and CEO

EMPLOYEE

/s/ J. Mays Davenport
J. Mays Davenport

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Section 5: EX-10.3 (EX-10.3)

Exhibit 10.3

DIRECTOR SUPPORT AGREEMENT

THIS SUPPORT AGREEMENT (this "Agreement"), dated as of June 16, 2019, is made and entered into by and among Prosperity Bancshares, Inc., a Texas corporation ("Prosperity"), LegacyTexas Financial Group, Inc., a Maryland corporation (the "Company"), LegacyTexas Bank, a Texas banking association ("Legacy Bank"), and [●], an individual residing in the State of Texas (the "Undersigned").

WHEREAS, concurrently herewith, Prosperity and the Company are entering into that certain Agreement and Plan of Reorganization (as such agreement may be amended or supplemented from time to time, the "Merger Agreement"), pursuant to which the Company will merge with and into Prosperity, with Prosperity as the surviving entity (the "Merger"); and

WHEREAS, the term "Company" as used in this Agreement with respect to time periods after the day and time the Merger is completed pursuant to the terms of the Merger Agreement (the "Effective Time of the Merger"), shall mean Prosperity, as successor to the Company in the Merger; and

WHEREAS, the Undersigned is a stockholder of the Company and a director of the Company or Legacy Bank, a wholly-owned subsidiary of the Company; and

WHEREAS, the Merger Agreement contemplates that immediately after the Effective Time of the Merger, Legacy Bank will merge with and into Prosperity Bank, a Texas banking association and wholly-owned subsidiary of Prosperity ("Prosperity Bank" and, together with the Company, Legacy Bank and Prosperity, the "Covered Entities"), with Prosperity Bank as the surviving entity (the "Bank Merger"); and

WHEREAS, the term "Legacy Bank" as used in this Agreement with respect to time periods after the day and time the Bank Merger is completed, shall mean Prosperity Bank, as successor to Legacy Bank in the Bank Merger; and

WHEREAS, the Merger Agreement contemplates that this Agreement shall be executed by the Undersigned contemporaneously with the execution of the Merger Agreement; and

WHEREAS, the Undersigned will, as a result of [his/her] equity ownership in the Company, receive pecuniary and other benefits as a result of the Merger; and

WHEREAS, the Undersigned, as a director and stockholder of the Company or Legacy Bank, as the case may be, has had access to certain Confidential Information (as defined below), including, without limitation, information concerning the Company's and Legacy Bank's business and the relationships between the Company and Legacy Bank, their respective subsidiaries and customers; and

WHEREAS, the Undersigned, through [his/her] association with the Company and Legacy Bank, has obtained knowledge of the trade secrets, customer goodwill and proprietary information of the Company and Legacy Bank and their respective businesses, which trade secrets, customer goodwill and proprietary information constitute a substantial asset to be acquired by Prosperity; and

WHEREAS, the Undersigned recognizes that Prosperity would not have entered into the Merger Agreement without the Undersigned agreeing to the terms and conditions of this Agreement; and

WHEREAS, any capitalized term not defined herein shall have the meaning set forth in the Merger Agreement.

NOW, THEREFORE, based upon the valuable consideration that the Undersigned will receive as a stockholder of the Company as a result of the Merger, for the new Confidential Information the Undersigned will be provided and for other good and valuable consideration contained herein and in the Merger Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definition. For purposes of this Agreement, "Confidential Information" means and includes each of the Covered Entities' confidential or proprietary information or trade secrets, including those of its subsidiaries, that have been developed or used and that cannot be obtained by third parties from outside sources, including, without limitation, all information not generally known to the public, in spoken, printed, electronic or any other medium, including but not limited to, the following confidential information regarding past and current customers, investors, business affiliates, employees and contractors: strategies, methods, books, records, and documents; technical information concerning products, equipment, services, and processes; procurement procedures, pricing, and pricing techniques, including, without limitation, contact names, services provided, pricing type and amount of services used; financial data; pricing strategies and price curves; positions; plans or strategies for expansion or acquisitions; budgets; research; financial and sales data; trading methodologies and terms; communications information; evaluations, opinions and interpretations of information and data; marketing and merchandising techniques; electronic databases; models; computer programs; contracts; bids or proposals; technologies and methods; training methods and processes; organizational structure; personnel information; payments or rates paid to consultants or other service providers; and other such confidential or proprietary information. Confidential Information includes any such information that the Undersigned may originate, learn, have access to or obtain, whether in tangible form or memorized. The term "Confidential Information" does not include any information that (a) at the time of disclosure or thereafter is generally available to and known to the public, other than by a breach of this Agreement by the disclosing party, (b) was available to the disclosing party, prior to disclosure by a Covered Entity, on a non-confidential basis from a source other than the non-disclosing party and such source is not known by the Undersigned to be subject to any fiduciary, contractual or legal obligations of confidentiality, (c) was independently acquired or developed without violating any obligations of this Agreement, or (d) is disclosed with the consent of a Covered Entity, as the case may be, with respect to that entity's Confidential Information.

2. Non-Disclosure and Non-Use. The Undersigned agrees that for the period beginning on the date hereof and continuing until the date that is two (2) years after the Effective Time of the Merger (the "Non-Disclosure Period"), the Undersigned will not disclose or use Confidential Information of a Covered Entity, other than for the benefit of a Covered Entity. The Undersigned also agrees that, during the Non-Disclosure Period, [he/she] shall deliver promptly to the Company or Prosperity at any time at its reasonable request, without retaining any copies, all documents and other material in the Undersigned's possession at that time that include Confidential Information.

3. Non-Competition Obligations. The Undersigned agrees that except as indicated on Schedule A hereto or as expressly set forth herein, for the period (the "Non-Competition Period") beginning on the Closing Date and continuing until the date that is two (2) years after the Effective Time of the Merger, the Undersigned will not, in any capacity other than as a director of a Covered Entity, directly or indirectly:

a) serve as an officer, director, employee, agent or consultant to any insured depository institution or holding company thereof or other entity that provides, or, to the Undersigned's knowledge, has plans to provide within the Non-Competition Period, banking services that are substantially similar to the services offered by Prosperity or Prosperity Bank as of the Closing Date (collectively, "Banking Business"), anywhere in the geographic area comprised of the Texas counties of Collin, Dallas, Denton, Jack, Parker, Tarrant and Wise counties (collectively, the "Market Area");

b) invest in, own, manage, operate, control or participate in any partnership, corporation or other business or entity engaging in the Banking Business within the Market Area. Notwithstanding the foregoing, the Undersigned is permitted hereunder to own, directly or indirectly, (i) up to two percent (2%) of the issued and outstanding securities of any publicly traded financial institution conducting business in the Market Area, and (ii) mutual fund investments;

c) solicit business from an individual or entity who is a customer of a Covered Entity as of the date hereof or immediately prior to the Effective Time on behalf of any other insured depository institution or holding company thereof or other entity for the purpose of providing the Banking Business to such individual or entity;

d) hire, retain, solicit for hire or induce to leave employment any individual who was within the twelve (12) months preceding the Closing Date an employee of a Covered Entity with whom the Undersigned had contact, knowledge of or association during the course of service with the Company or Legacy Bank, and will not assist any other individual or entity in such activities; *provided*, *however*, that nothing in this Section 3(d) shall apply to employment other than in the Banking Business. Notwithstanding the foregoing, the Undersigned shall not be prohibited from hiring any employee who (i) responds to any general advertisement appearing in a newspaper, magazine or trade publication, (ii) is a referral made by a placement agency or service so long as such placement agency or service has not been instructed to solicit or target employees of

Prosperity or Prosperity Bank or such employee in particular, or (iii) is terminated by Prosperity or Prosperity Bank or (iv) whose employment with a Covered Entity ended by voluntary resignation from employment without direct or indirect solicitation by the Undersigned at least six months before the Undersigned's hiring of such person;

Notwithstanding anything else provided herein, if the Undersigned is a licensed attorney, securities broker or real estate broker or agent, the Undersigned shall not be prohibited from representing or serving as an agent for any insured depository institution or holding company thereof or other individual or entity in such capacity.

4. Release.

a) Effective at and as of the Effective Time of the Merger, the Undersigned, on the Undersigned's behalf and on behalf of the Undersigned's heirs, executors, administrators, agents, successors and assigns (collectively, the "Undersigned Group Persons") hereby irrevocably and unconditionally releases, waives, acquits and forever discharges the Covered Entities and their respective successors, predecessors, parents, subsidiaries, affiliates and other related entities, and all of their respective past, present and future officers, directors, shareholders, affiliates, agents and representatives, other than the Undersigned and any Undersigned Group Person (each, a "Released Party" and collectively, the "Released Parties") from any and all manners of actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands of every type and nature whatsoever, known and unknown, matured or unmatured, direct or derivative, liquidated or unliquidated, in each case, in law or equity, now existing or that may arise after the date hereof (each a "Claim" and collectively, the "Claims"), relating to, arising out of or in connection with the Company or Legacy Bank and their respective businesses or assets, including any Claims arising out of or resulting from the Undersigned's status, relationship, affiliation, rights, obligations and duties as a director, officer, employee or security holder of the Company or Legacy Bank, as the case may be, for all periods occurring prior to the Effective Time of the Merger; *provided, however*, that a Released Party shall not be released from any of its obligations or liabilities to any of the Undersigned Group Persons: (i) in connection with any accrued compensation and rights under any benefit plans of the Company or Legacy Bank of a type reflected in [Schedule 3.27(A)] of the Confidential Schedules to the Merger Agreement, including any medical claims not yet filed, (ii) as to any rights of indemnification pursuant to the articles of incorporation or articles of association and bylaws of the Company and Legacy Bank, pursuant to any contractual rights or insurance policies, or available at law or in equity, (iii) in connection with bank owned life insurance, (iv) in connection with any deposits, loans or similar accounts of the Undersigned or the

Undersigned Group Persons at Legacy Bank or Prosperity Bank, (v) in connection with any obligations owing to the Undersigned under the contracts set forth on Schedule B of this Agreement, or (vi) in connection with rights under the Merger Agreement of the Undersigned, in [his/her] capacity as a stockholder of the Company.

b) The Undersigned hereby represents and warrants that in [his/her] capacity as a director, officer, employee or security holder of the Company or Legacy Bank, as applicable, the Undersigned has no knowledge of any Claims that the Undersigned has or would reasonably be expected to have against the Released Parties, except for any claims specifically described on Schedule C of this Agreement.

5. Non-Competition Covenant Reasonable. The Undersigned acknowledges that the restrictions imposed by this Agreement are legitimate, reasonable and necessary to protect Prosperity's acquisition of the Company and the goodwill thereof. The Undersigned acknowledges that the scope and duration of the restrictions contained herein are reasonable in light of the time that the Undersigned has been engaged in the business of the Company or Legacy Bank and the Undersigned's relationship with the customers of the Company or Legacy Bank. The Undersigned agrees that [his/her] promises in this Section 5 are reasonable and reasonably necessary to protect the legitimate business interest of the Company, Legacy Bank and Prosperity.

6. Consideration. In consideration for the above obligations of the Undersigned, in addition to those matters set forth in the Recitals to this Agreement, the Company agrees to provide the Undersigned with access to new Confidential Information relating to the Company's business, which will become Prosperity's business after the Effective Time of the Merger, in a greater quantity or expanded nature than that already provided to the Undersigned. The Undersigned also will have access to, or knowledge of, new Confidential Information of third parties, including, without limitation, actual and potential customers, suppliers, partners, joint venturers, investors, and financing sources of the Company and Legacy Bank prior to the Merger and of Prosperity and Prosperity Bank after the Effective Time of the Merger.

7. Enforcement and Legal Remedies. The Undersigned acknowledges and agrees that the breach of any of the covenants made by the Undersigned in this Agreement would cause irreparable injury to the Covered Entities, which could not sufficiently be remedied by monetary damages; and, therefore, that each of the Company, Legacy Bank and Prosperity shall be entitled to seek such equitable relief as declaratory judgments; temporary, preliminary and permanent injunctions, without posting of any bond, and order of specific performance to enforce those covenants or to prohibit any act or omission that constitutes a breach thereof. The Undersigned also agrees and understands that such remedies shall be in addition to any and all remedies, including damages, available to the Company, Legacy Bank and Prosperity and their respective affiliates against the Undersigned for such breaches.

8. Tolling. In the event that the Company, Legacy Bank or Prosperity shall file a lawsuit in any court of competent jurisdiction alleging a breach of the non-competition provisions of this Agreement by the Undersigned, then any time period set forth in this

Agreement including the time periods set forth above, will be extended one month for each month the Undersigned was in breach of this Agreement, so that the Company, Legacy Bank or Prosperity is provided the benefit of the full Non-Competition Period.

9. WAIVER OF JURY TRIAL. THE PARTIES HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT, IN EACH CASE, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. THE PARTIES HEREBY FURTHER AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

10. Effectiveness; Termination. This Agreement is executed in connection with the execution and delivery of the Merger Agreement. This Agreement shall terminate and be of no further force and effect upon the termination of the Merger Agreement pursuant to its terms prior to the consummation of the transactions contemplated thereby.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue of any dispute relating to this Agreement shall be, and is convenient, in Texas. The Undersigned agrees that he/she will not contest venue in Texas or the application of Texas laws to any dispute relating to, connected with or arising under this Agreement.

12. Notices. Except as explicitly provided herein, any notice given hereunder shall be in writing and shall be delivered in person or mailed by first class mail, postage prepaid or sent by facsimile, electronic mail, courier or personal delivery to the parties at the following addresses unless by such notice a different address shall have been designated:

If to Prosperity:

Charlotte M. Rasche
Senior Executive Vice President and General Counsel
Prosperity Bancshares, Inc.
80 Sugar Creek Center Boulevard
Sugarland, TX 77478
Fax No: (281) 269-7222
Email: Charlotte.rasche@prosperitybankusa.com

and

Mr. William S. Anderson
Mr. Jason M. Jean
Bracewell LLP
711 Louisiana Street, Suite 2300
Houston, Texas 77002-2781
Fax No.: (800) 404-3970
Email: Will.Anderson@bracewell.com
Jason.Jean@bracewell.com

If to the Company:

Scott Almy
Executive Vice President, Chief Operating Officer,
Chief Risk Officer and General Counsel
LegacyTexas Financial Group, Inc.
5851 Legacy Circle
Plano, Texas 75024
Email: Scott.Almy@legacytexas.com

With a copy to:

Christian Otteson, Esq.
Shapiro Bieging Barber Otteson, LLP
7979 East Tufts Ave, Suite 1600
Denver, Colorado 80237
Fax No.: (720) 488-7711
Email: cotteson@sbbolaw.com

If to the Undersigned:

[●]

All notices sent by mail as provided above shall be deemed delivered three (3) days after deposited in the mail. All notices sent by courier as provided above shall be deemed delivered one day after being sent and all notices sent by facsimile shall be deemed delivered upon confirmation of receipt. All other notices shall be deemed delivered when actually received. Any party to this Agreement may change its address for the giving of notice specified above by giving notice as herein provided. Notices permitted to be sent via e-mail shall be deemed delivered only if sent to such persons at such e-mail addresses as may be set forth in writing.

13. Representation by Counsel; Interpretation. The Undersigned, the Company, Legacy Bank and Prosperity hereby represent and warrant that they have full power and authority to enter into, execute and deliver this Agreement, all proceedings required to be taken to authorize the execution, delivery and performance of this Agreement and the agreements and undertakings relating hereto and the transactions contemplated hereby have been validly and properly taken and this Agreement constitutes a valid and binding obligation of the Undersigned, the Company, Legacy Bank and Prosperity in the capacity in which executed. The Undersigned, the Company, Legacy Bank and Prosperity further represent and warrant that they have entered into this Agreement, including, but not limited to, the releases in Section 4, freely of their own accord and without reliance on any representations of any kind of character not set forth herein. The Undersigned, the Company, Legacy Bank and Prosperity enter into this Agreement after the opportunity to consult with their own legal counsel. Accordingly, any rule of law, including, but not limited to, the doctrine of *contra proferentem*, or any legal decision which would require

interpretation of any claimed ambiguities in this Agreement against the drafting party has no application and is expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the parties.

14. Entire Agreement; Amendment. This Agreement represents the entire understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and negotiations between the parties. This Agreement shall not be amended, modified, or altered in any manner except in writing signed by the parties hereto.

15. Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall remain in full force and effect, as if this Agreement has been executed without any such invalid provisions having been included. Such invalid provision shall be reformed in a manner that is both (a) legal and enforceable and (b) most closely represents the parties' original intent.

16. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Company, Legacy Bank, Prosperity and their respective successors and assigns, including, without limitation, any successor by merger, consolidation or stock purchase of the Company, Legacy Bank, Prosperity and any entity or person that acquires all or substantially all of the assets of the Company, Legacy Bank or Prosperity.

17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

COMPANY:

LEGACYTEXAS FINANCIAL GROUP, INC.

By: /s/ Kevin J. Hanigan
Name: Kevin J. Hanigan
Title: President and CEO

LEGACY BANK:

LEGACYTEXAS BANK

By: /s/ Kevin J. Hanigan
Name: Kevin J. Hanigan
Title: President and CEO

PROSPERITY:

PROSPERITY BANCSHARES, INC.

By: /s/ David Zalman
Name: David Zalman
Title: Chairman and Chief Executive Officer

UNDERSIGNED:

_____

Schedule A

Schedule B

Schedule C

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