

National Bank Holdings Corp
Form DEF 14A
March 31, 2014
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under § 240.14a-12

National Bank Holdings Corporation

(Name of the Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

Fee paid previously with preliminary materials.

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

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

7800 East Orchard Road, Suite 300
Greenwood Village, CO 80111

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders of National Bank Holdings Corporation:

We cordially invite you to attend the Annual Meeting of Shareholders of National Bank Holdings Corporation at 8:30 a.m. Mountain Time on Wednesday, May 7, 2014, at the DoubleTree by Hilton Denver Tech Center, located at 7801 East Orchard Road, Greenwood Village, Colorado 80111. The purpose of the meeting is to:

1. Elect seven directors to our Board of Directors to hold office until the next annual meeting of shareholders and until their successors are duly elected and qualified (Proposal 1).
2. Ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year 2014 (Proposal 2).
3. Approve the National Bank Holdings Corporation 2014 Omnibus Incentive Plan (Proposal 3).
4. Transact such other business as may properly come before the meeting.

Information with respect to these matters is contained in the proxy statement accompanying this notice.

A proxy for use at the meeting in the form accompanying this notice is hereby solicited on behalf of the Board of Directors from holders of Class A common stock. The Board of Directors has fixed March 17, 2014 as the record date for determining which shareholders have the right to receive notice of and to vote at the meeting or any postponements or adjournments thereof.

The proxy statement and the accompanying form of proxy are first being sent to shareholders on or about March 31, 2014.

Whether or not you plan to attend the meeting, we urge you to vote and submit your proxy so that as many shares as possible may be represented at the meeting. Your vote is important and we appreciate your cooperation in returning your proxy promptly. Your proxy is revocable and will not affect your right to vote in person at the meeting. Please call us at 720-529-3346 if you need directions to attend the meeting or have questions about how to vote in person.

By Order of the Board of Directors

/s/ Zsolt K. Besskó

Zsolt K. Besskó, Secretary

Greenwood Village, Colorado

March 24, 2014

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on May 7, 2014: Our Proxy Statement and 2013 Annual Report to Shareholders are also available at www.proxyvote.com.

NATIONAL BANK HOLDINGS CORPORATION

PROXY STATEMENT

2014 ANNUAL MEETING OF SHAREHOLDERS

Table of Contents

<u>GENERAL INFORMATION</u>	<u>1</u>
<u>VOTE REQUIRED FOR APPROVAL</u>	<u>2</u>
<u>STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>2</u>
<u>Stock Ownership Guidelines</u>	<u>5</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>5</u>
<u>PROPOSAL 1—ELECTION OF DIRECTORS</u>	<u>6</u>
<u>PROPOSAL 2—RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED</u>	<u>8</u>
<u>PUBLIC ACCOUNTING FIRM</u>	
<u>PROPOSAL 3—APPROVAL OF THE NATIONAL BANK HOLDINGS CORPORATION</u>	<u>9</u>
<u>2014 OMNIBUS INCENTIVE PLAN</u>	
<u>GOVERNANCE</u>	<u>15</u>
<u>Board and Committee Meetings; Annual Meeting Attendance</u>	<u>15</u>
<u>Committees of the Board</u>	<u>16</u>
<u>Director Independence</u>	<u>18</u>
<u>Board Leadership Structure</u>	<u>18</u>
<u>The Board’s Role in Risk Oversight</u>	<u>18</u>
<u>Communications with Directors</u>	<u>19</u>
<u>Director Nomination Process and Board Diversity</u>	<u>19</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>19</u>
<u>Director Compensation</u>	<u>20</u>
<u>CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS</u>	<u>21</u>
<u>EXECUTIVE OFFICERS</u>	<u>22</u>
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	<u>24</u>
<u>Executive Compensation</u>	<u>24</u>
<u>Compensation Committee Report</u>	<u>31</u>
<u>Executive Compensation Tables</u>	<u>32</u>
<u>2013 Potential Payments upon Termination or Change-in-Control</u>	<u>38</u>
<u>AUDIT AND RISK COMMITTEE REPORT</u>	<u>42</u>
<u>OTHER BUSINESS</u>	<u>42</u>
<u>2015 ANNUAL MEETING OF SHAREHOLDERS</u>	<u>42</u>
<u>“HOUSEHOLDING” OF PROXY MATERIALS</u>	<u>43</u>

Annex A – National Bank Holdings Corporation 2014 Omnibus Incentive Plan

Table of Contents

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the “Board of Directors” or the “Board”) of National Bank Holdings Corporation, a Delaware corporation (the “Company”, “NBHC”, “we”, “us” or “our”), to be used at our 2014 Annual Meeting of Shareholders (the “Meeting”) and at any postponements or adjournments thereof. The Meeting will be held at the DoubleTree by Hilton Denver Tech Center, located at 7801 East Orchard Road, Greenwood Village, Colorado 80111, at 8:30 a.m. Mountain Time on Wednesday, May 7, 2014. In this Proxy Statement, we refer to our employees as “associates”. In this proxy statement, we also refer to the Notice of Annual Meeting of Shareholders, this Proxy Statement, our 2013 Annual Report to Shareholders and the accompanying proxy as our “Proxy Materials.”

Holders of record of shares of Class A common stock at the close of business on March 17, 2014 (the record date) are entitled to notice of, and to vote at, the Meeting. As of such date, there were 41,468,999 shares of Class A common stock outstanding and entitled to vote. In addition, as of such date, there were 1,021,127 shares of unvested restricted stock (Class A common stock) entitled to vote. Each share of our Class A common stock is entitled to one vote on all matters (in the case of Proposal 1, with respect to the election of each director). Shares of our Class B non-voting common stock are not entitled to vote. As of March 17, 2014, there were 3,027,774 shares of Class B non-voting common stock issued and outstanding. Our Class B non-voting common stock is not convertible into shares of our Class A common stock in the hands of the initial holder but is generally convertible into shares of our Class A common stock on a one-for-one basis in the hands of a transferee unaffiliated with the initial holder. Shareholders cannot cumulate votes in the election of directors.

Please read the Proxy Materials carefully. You should consider the information contained in this Proxy Statement when deciding how to vote your shares. You have a choice of voting by proxy over the Internet, by using a toll-free telephone number or by completing a proxy card and mailing it in the postage-paid envelope provided. If your shares are held in the name of a broker, bank or other holder of record, please refer to your proxy card or the voting information provided by your bank, broker or other holder of record to see which voting options are available to you. Voting on the Internet, by telephone or by mail will not prevent you from attending or voting your shares at the Meeting. However, if you hold shares through a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the Meeting. Otherwise, your shares will be voted in the manner in which you instructed the record holder of your shares.

When you vote by proxy, your shares will be voted according to your instructions. If you are a shareholder of record, you may revoke your proxy at any time prior to the close of the polls at the Meeting by submitting a later dated proxy or delivering a written notice of revocation to our Secretary, Zsolt K. Besskó, at National Bank Holdings Corporation, 7800 E. Orchard Road, Suite 300, Greenwood Village, CO 80111. If you hold shares through a bank, broker or other holder of record, you must contact the holder of record to revoke any prior voting instructions.

We pay the cost of soliciting proxies. Members of our Board and other associates may solicit proxies by mail, telephone, fax, email or in person. We will not pay directors or other associates any extra amounts for soliciting proxies. We may, upon request, reimburse brokerage firms, banks or similar nominees representing street name holders for their expenses in forwarding Proxy Materials to their customers who are street name holders and obtaining their voting instructions.

Any shareholder entitled to vote at the Meeting may attend the Meeting. If you hold shares through a bank, broker or other holder of record and would like to attend the Meeting, you will need to bring an account statement or other acceptable evidence of ownership of our Class A common stock as of the record date. Each shareholder who attends may be asked to present valid picture identification, such as a driver’s license or passport. Please note that the use of cell phones, PDAs, recording and photographic equipment and/or computers is not permitted in the meeting room at the Meeting.

Our principal executive offices are located at 7800 E. Orchard Road, Suite 300, Greenwood Village, CO 80111.

Table of Contents

VOTE REQUIRED FOR APPROVAL

The presence, by proxy or in person, of the holders of a majority of the outstanding shares of our Class A common stock entitled to vote at the Meeting shall constitute a quorum. Withheld votes, abstentions and broker “non-votes” (shares held by a broker or nominee that has not received voting instructions from its client and does not have discretionary authority to vote on a particular matter) are counted as present for purposes of establishing a quorum. If you are a beneficial shareholder and your broker holds your shares in its name, the rules of the New York Stock Exchange (“NYSE”) permit your broker to vote your shares on the ratification of the appointment of our independent registered certified public accounting firm (Proposal 2), even if the broker does not receive voting instructions from you. However, under the NYSE rules, your broker cannot vote your shares on the other proposals if you do not timely provide instructions for voting your shares.

For Proposal 1 (election of directors), the seven nominees for director receiving a plurality of the votes cast at the Meeting in person or by proxy will be elected. This means that the director nominee with the most votes for a particular slot is elected for that slot. Only votes “for” affect the outcome. Broker “non-votes” will have no effect on the voting results for this proposal.

Proposal 2 (ratification of the appointment of our independent registered certified public accounting firm) will be passed if a majority of the shares of our Class A common stock present at the Meeting and entitled to vote cast their votes “for” this proposal. Abstentions will be counted as votes present and entitled to vote and will have the same effect as votes “against” this proposal. No broker “non-votes” are expected to exist in connection with this proposal.

Proposal 3 (approval of our 2014 Omnibus Incentive Plan) will be passed if a majority of the shares of our Class A common stock present at the Meeting and entitled to vote cast their votes “for” this proposal. Abstentions will be counted as votes present and entitled to vote and will have the same effect as votes “against” this proposal. Broker “non-votes” are not considered to be entitled to vote and therefore will have no effect on the voting results for this proposal.

Approval of any other business that may properly come before the Meeting will require the affirmative vote of a majority of the shares present in person or represented by proxy at the Meeting and entitled to vote thereon.

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 17, 2014, information regarding the beneficial ownership of our Class A common stock by (i) each of our Chief Executive Officer, Chief Financial Officer and the three other highest paid executive officers for 2013 (those five executive officers are listed in the table captioned “Summary Compensation Table” elsewhere in this Proxy Statement and are collectively referred to as the “Named Executive Officers” or “NEOs”); (ii) each director; (iii) all current directors and executive officers as a group and (iv) each person known by us to own beneficially more than five percent of the shares of our Class A common stock (our only class of voting securities outstanding).

We have determined beneficial ownership in accordance with the rules of the Securities Exchange Commission (“SEC”). Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the tables below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws. We have based our calculation of the percentage of beneficial ownership on 42,490,126 shares of Class A common stock outstanding as of March 17, 2014 (including 1,021,127 shares of unvested restricted stock granted to certain directors and officers, which shares of restricted stock are entitled to voting rights).

In computing the number of shares of Class A common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of Class A common stock subject to options or warrants held by that person that are currently exercisable or exercisable within sixty days of March 17, 2014. We, however, did not deem these shares outstanding for the purpose of computing the percentage ownership of any other person. Beneficial ownership representing less than 1% is denoted with an asterisk (*).

Table of Contents

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Named Executive Officers and Directors		
G. Timothy Laney ⁽¹⁾	1,611,338	3.7 %
Brian F. Lilly ⁽²⁾	251,911	*
Donald G. Gaiter ⁽³⁾	765,933	1.8 %
Richard U. Newfield, Jr. ⁽⁴⁾	387,506	*
Kathryn M. Hinderhofer ⁽⁵⁾	166,103	*
Frank V. Cahouet ⁽⁶⁾	146,530	*
Ralph W. Clermont ⁽⁷⁾	68,711	*
Robert E. Dean ⁽⁸⁾	64,223	*
Lawrence K. Fish ⁽⁹⁾	36,348	*
Micho F. Spring ⁽¹⁰⁾	72,192	*
Burney S. Warren, III ⁽¹¹⁾	64,940	*
All current executive officers and directors as a group (12 persons)	4,161,195	9.2 %
5% Shareholders		
Wellington Management Company, LLP ⁽¹²⁾		
280 Congress Street	4,073,746	9.5 %
Boston, MA 02210		
Elliott Management Group ⁽¹³⁾		
40 West 57th Street, 30th Floor	3,610,436	8.5 %
New York, NY 10019		
Boston Partners ⁽¹⁴⁾		
One Beacon Street	2,511,854	5.9 %
Boston, MA 02108		
The Vanguard Group ⁽¹⁵⁾		
100 Vanguard Blvd.	2,425,046	5.7 %
Malvern, PA 19355		
BlackRock, Inc. ⁽¹⁶⁾		
40 East 52nd Street	2,347,740	5.5 %
New York, NY 10022		

(1) Includes 385,000 unvested restricted shares for which Mr. Laney has voting power and 1,116,667 shares issuable upon the exercise of options. Also includes 38,962 shares owned by the Timothy Laney 2012 Grantor Retained Annuity Trust.

(2) Includes 96,037 unvested restricted shares for which Mr. Lilly has voting power and 133,333 shares issuable upon the exercise of options.

(3) Includes 169,343 unvested restricted shares for which Mr. Gaiter has voting power and 469,166 shares issuable upon the exercise of options.

(4) Includes 98,187 unvested restricted shares for which Mr. Newfield has voting power and 266,666 shares issuable upon the exercise of options.

(5) Includes 46,667 unvested restricted shares for which Ms. Hinderhofer has voting power and 108,333 shares issuable upon the exercise of options.

(6) Includes 3,738 unvested restricted shares for which Mr. Cahouet has voting power and 61,500 shares issuable upon the exercise of options. Also includes 55,300 shares owned by the Frank V. Cahouet Trust.

Table of Contents

- (7) Includes 3,738 unvested restricted shares for which Mr. Clermont has voting power and 42,333 shares issuable upon the exercise of options. Also includes 21,211 shares owned by the Ralph W. Clermont Revocable Trust.
- (8) Includes 3,738 unvested restricted shares for which Mr. Dean has voting power and 42,333 shares issuable upon the exercise of options. Also includes 18,152 shares owned by the Dean Family Trust.
- (9) Includes 3,738 unvested restricted shares for which Mr. Fish has voting power and 4,000 shares issuable upon the exercise of options. Also reflects 5,000 shares owned by LKF Associates, LLC.
- (10) Includes 3,738 unvested restricted shares for which Ms. Spring has voting power and 42,333 shares issuable upon the exercise of options.
Includes 3,738 unvested restricted shares for which Mr. Warren has voting power and 42,333 shares issuable upon the exercise of options. Also includes 9,584 shares owned by the Burney S. Warren Family Limited Partnership.
As reported on Schedule 13G filed with the SEC on February 14, 2014 by Wellington Management Company, LLP (“Wellington Management”). Wellington Management reported shared voting and dispositive power with respect to all shares beneficially owned. The shares as to which the Schedule 13G was filed by Wellington Management, in its capacity as investment adviser, are owned of record by clients of Wellington Management.
- (12) Those clients have the right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of, such shares. The number of shares reported includes the shares reported on Schedule 13G filed with the SEC on February 14, 2014 on behalf of Ithan Creek Master Investors (Cayman) L.P. (“Ithan Creek”) and Wellington Hedge Management, LLC (“WHML”), which is the sole general partner of Ithan Creek. Ithan Creek and WHML reported having shared voting and dispositive power with respect to all shares beneficially owned. The reporting entities consist of the following entities: Elliott Associates, L.P. and its wholly-owned subsidiaries (collectively, “Elliott Associates”), Elliott International, L.P. (“Elliott International”), and Elliott International Capital Advisors Inc. (“International Advisors” and collectively with Elliott Associates and Elliott International, the “Elliott Management Group”). Elliott Management Group reported the following on Schedule 13G filed with the SEC on February 14, 2014: (i) Elliott Associates reported sole voting and sole dispositive power with respect to 1,263,654 shares; (ii) Elliott International reported sole voting and sole dispositive power with respect to 2,346,782 shares; and (iii) International Advisors reported shared voting and shared dispositive power with respect to 2,346,782 shares.
As reported on Schedule 13G filed with the SEC on February 12, 2014 by Boston Partners. Boston Partners reported sole voting power with respect to 950,403 shares and sole dispositive power with respect to all shares beneficially owned. The shares as to which the Schedule 13G was filed by Boston Partners, in its capacity as investment adviser, are owned of record by clients of Boston Partners. Those clients do not have the right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of, such shares which represents more than 5% of the outstanding shares of the Company. Effective January 2014, Robeco Investment Management, Inc. has adopted Boston Partners as a dba designation reflecting the former name.
- (14) As reported on Schedule 13G filed with the SEC on February 11, 2014 by The Vanguard Group (“Vanguard”). Vanguard reported sole voting power with respect to 60,319 shares, shared dispositive power with respect to 60,319 shares and sole dispositive power with respect to 2,364,727 shares. The shares as to which the Schedule 13G was filed by Vanguard, in its capacity as investment adviser, are owned of record by clients of Vanguard.
As reported on Schedule 13G filed with the SEC on January 30, 2014 by BlackRock, Inc. (“BlackRock”). BlackRock reported sole voting power with respect to 2,248,297 shares and sole dispositive power with respect to all shares beneficially owned. The shares as to which the Schedule 13G was filed by BlackRock, in its capacity as investment adviser, are owned of record by clients of BlackRock. Various clients have the right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of, such shares.
- (16)
-

Table of Contents

Stock Ownership Guidelines

We believe that ownership of NBHC stock helps align the interests of our directors and executive officers with those of shareholders and emphasizes the long-term aspects of equity-based compensation. In 2012, the Board adopted stock ownership guidelines applicable to directors and executive officers.

Independent Directors: Under these guidelines, our independent directors are required to beneficially own shares of NBHC stock worth four times their annual board cash retainer. Independent directors have five years to meet these guidelines. Independent directors who do not meet the guidelines are required to retain 50% of the after-tax portion of vested stock awards until the guidelines are met.

Executive Officers: Executive officers must beneficially own shares as shown in the table below. If an executive officer's ownership is below the guidelines at the time an equity award vests, the executive officer must retain at least 50% of the total shares vesting.

Title:	Guidelines require owning lesser of:
Chief Executive Officer	5 times base salary or 175,000 shares
Chief Financial Officer Chief of Acquisitions and Strategy	4 times base salary or 60,000 shares
Chief Risk Officer Chief of Enterprise Technology & Integration Chief Administrative Officer & General Counsel	2 times base salary or 25,000 shares

Insider Trading Restrictions

We have adopted an Insider Trading Policy. To further strengthen the alignment between stock ownership and your interests as shareholders, our Insider Trading Policy prohibits all associates, including our directors and executive officers, from engaging in short selling or hedging transactions involving NBHC stock.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership of, and transactions in, the Company's equity securities with the SEC. Such reporting persons are also required to furnish the Company with copies of all Section 16(a) reports that they file. Based solely on a review of the copies of such reports received by the Company, and on written representations from certain reporting persons, the Company believes that none of such reporting person failed to file on a timely basis reports required by Section 16(a) during 2013, except that a Form 4 was inadvertently filed late in October 2013 for each of Ralph W. Clermont, Robert E. Dean, Lawrence K. Fish, Micho F. Spring and Burney S. Warren, III with regard to the vesting of time-based restricted stock.

Table of Contents

PROPOSAL 1—ELECTION OF DIRECTORS

We have set the size of the Board at seven members. The current members are Frank V. Cahouet (Chairman), Ralph W. Clermont, Robert E. Dean, Lawrence K. Fish, G. Timothy Laney, Micho F. Spring and Burney S. Warren, III. Upon the recommendation of the Nominating and Governance Committee, the Board has nominated all of these members for reelection. With the exception of Mr. Laney, who serves as our President and CEO, the Board has determined that each of these nominees is an independent director, as discussed further below under “Director Independence.”

Each of the directors elected at the Meeting will be elected for a one-year term which expires at the next annual meeting of shareholders and will serve until the director’s successor has been elected and qualified, or until the director’s earlier resignation or removal.

The Board recommends you vote FOR each of the nominees set forth below.

In the event that any nominee is no longer a candidate for director at the time of the Meeting, the proxyholders will vote for the rest of the nominees and may vote for a substitute nominee in their discretion. To the best of its knowledge, the Company has no reason to believe that any of the nominees will be unable to serve as directors if elected.

Frank V. Cahouet, Age 81

Mr. Cahouet has served as the Company’s Chairman of the Board since October 2009. Mr. Cahouet is the retired Chairman, President and Chief Executive Officer of Mellon Financial Corporation, a position that he held from 1987 through 1998. While at Mellon, Mr. Cahouet was responsible for a series of strategic moves that positioned Mellon for growth. Before joining Mellon, Mr. Cahouet served as President and Chief Operating Officer of the Federal National Mortgage Association (Fannie Mae) from 1986 to 1987 and as Chairman, President and Chief Executive Officer of Crocker National Bank from 1984 to 1986. Prior to joining Crocker, Mr. Cahouet was a Vice Chairman, Chief Financial Officer and a member of the Office of the Chairman of Security Pacific National Bank. He joined Security Pacific in 1960 and served there for 24 years. Mr. Cahouet is a graduate of Harvard College and the Wharton Graduate School of Finance of the University of Pennsylvania. Mr. Cahouet also serves as a director of Teledyne Technologies Incorporated. He is a trustee emeritus of both Carnegie Mellon University and the University of Pittsburgh, serves on the board of regents of Saint Vincent Seminary, is a member of the board of trustees for the Historical Society of Western Pennsylvania and is a council member of The Pennsylvania Society. Mr. Cahouet’s extensive experience both leading and growing financial institutions qualifies him to serve on our Board of Directors. Mr. Cahouet is an ex officio member of all of our Board committees with full voting rights.

Ralph W. Clermont, Age 66

Mr. Clermont has served as a director for the Company since October 2009 and also serves as Chairman of the Audit and Risk Committee. Mr. Clermont retired in September 2008 as Managing Partner of the St. Louis office of KPMG LLP, and was formerly the partner in charge of KPMG’s Midwest financial services practice. Mr. Clermont joined the St. Louis office of KPMG in 1969 and was elected to partnership in 1977. Mr. Clermont spent over 39 years providing services to the banking industry and has had responsibility for the audits of numerous banking organizations. Subsequent to retiring, Mr. Clermont has served as a consultant to various banking institutions on strategic planning, risk management and corporate governance matters. Mr. Clermont is a certified public accountant and a member of the American Institute of Certified Public Accountants and Missouri Society of Certified Public Accountants. Mr. Clermont was a member of the KPMG’s Assurance Services Committee and was chairman of KPMG’s Quality Improvement Audit Subcommittee. Mr. Clermont received a Bachelor of Science degree in accounting from Saint Louis University. Mr. Clermont’s qualifications to serve on our Board of Directors include his expertise in financial and accounting matters for complex financial organizations.

Robert E. Dean, Age 62

Mr. Dean has served as a director for the Company since June 2009 and also serves as Chairman of the Nominating and Governance Committee. Mr. Dean is a private investor. From October 2000 to December 2003, Mr. Dean was

Table of Contents

with Ernst & Young Corporate Finance LLC, a wholly owned broker-dealer subsidiary of Ernst & Young LLP, serving as a Senior Managing Director and member of the Board of Managers from December 2001 to December 2003. From June 1976 to September 2000, Mr. Dean practiced corporate, banking and securities law with Gibson, Dunn & Crutcher LLP. Mr. Dean co-chaired the firm's banking practice and advised bank clients on numerous capital markets and merger and acquisition transactions (including FDIC-assisted transactions). Mr. Dean was Partner-in-Charge of the Orange County, California office from 1993 to 1996 and was a member of the law firm's Executive Committee from 1996 to 1999. From 2004 to 2009, Mr. Dean served as a director, chairman of the Compensation Committee and a member of the Audit Committee of the board of directors of Specialty Underwriters' Alliance, Inc. and during 2009 was a member of the board's Strategic Review Committee. Mr. Dean holds a Bachelor of Arts degree from the University of California at Irvine and a Juris Doctor degree from the University of Minnesota Law School. Mr. Dean's substantial experience in bank capital markets and merger and acquisition transactions, bank regulatory matters and public company corporate governance matters qualifies him to serve on our Board of Directors.

Lawrence K. Fish, Age 69

Mr. Fish has served as a director for the Company since January 2010. Mr. Fish acted on an exigent basis as our Interim Chief Executive Officer in 2010 following the death of our original Chief Executive Officer until Mr. Laney began as CEO in June 2010. Mr. Fish is the retired Chairman and Chief Executive Officer of Citizens Financial Group, a multi-state bank holding company headquartered in Providence, Rhode Island, from 1992 until 2007. Under Mr. Fish's leadership, Citizens grew from a \$4 billion savings institution to one of the ten largest commercial bank holding companies in the United States, with approximately \$160 billion in assets. Mr. Fish was a member of the board of directors of the Royal Bank of Scotland PLC, Citizens' parent company, from 1993 through 2008. He is also a past member of the Federal Advisory Council of the Federal Reserve System and a former director of the Federal Reserve Bank of Boston.

Mr. Fish is Chairman of Houghton Mifflin Harcourt and a Director of Textron Inc. and Tiffany and Co. and Trustee Emeritus of The Brookings Institution in Washington, D.C. In July 2003, he was named to the MIT Corporation, which is the Board of Trustees of Massachusetts Institute of Technology. A 1966 graduate of Drake University, Mr. Fish earned an MBA from the Harvard Graduate School of Business Administration in 1968. Mr. Fish is the recipient of several honorary doctorate degrees. Mr. Fish's extensive financial institutions regulatory and public policy experience as well as executive leadership of financial institutions give him a valuable perspective relevant to our Company's business, financial performance and risk oversight and qualify him to serve on the Board of Directors.

G. Timothy Laney, Age 53

Mr. Laney has served as the Company's President and Chief Executive Officer and as a director for the Company since June 2010. Mr. Laney is the former Senior Executive Vice President and Head of Business Services at Regions Financial, one of the nation's largest full-service banks. He joined Regions Financial in late 2007 to lead the transformation of the bank's wholesale lines of business. Prior to his tenure at Regions Financial, Mr. Laney had a 24-year tenure with Bank of America, where he held senior management roles in small business, commercial banking, private banking, corporate marketing and change management. He also served as President of Bank of America, Florida, with more than 800 banking centers and \$50 billion in total assets. He was also a member of Bank of America's Management Operating Committee. Mr. Laney brings to our Board of Directors valuable and extensive experience from managing and overseeing a broad range of operations during his tenures at Bank of America and Regions Financial.

Micho F. Spring, Age 64

Ms. Spring has served as a director for the Company since October 2009. Ms. Spring is Chair, Global Corporate Practice and President, New England of Weber Shandwick. Prior to joining Weber Shandwick, Ms. Spring was Chief Executive Officer of Boston Telecommunications Company. She served for four years as Deputy Mayor of Boston. She previously served as Chief of Staff to Boston Mayor Kevin H. White after four years of service in New York City government. Ms. Spring also served as a director of Citizens Bank of Massachusetts, one of the largest state-chartered banks in Massachusetts at the time of her service. Ms. Spring currently serves as Vice Chair of the

Table of Contents

Greater Boston Chamber of Commerce and serves on numerous boards of civic organizations including the John F. Kennedy Library Foundation, The Boston Foundation, Friends of Caritas Cubana and the Massachusetts Women's Forum, of which she is a past President. She currently serves as a director of the Taubman Center Advisory Board at Harvard's Kennedy School of Government. Ms. Spring attended Georgetown and Columbia Universities and received a Masters in Public Administration from Harvard's Kennedy School of Government. Ms. Spring's extensive public policy experience, expertise in public relations, involvement in community activities and knowledge of financial institutions make her a valuable member of our Board.

Burney S. Warren, III, Age 66

Mr. Warren has served as a director for the Company since October 2009 and also serves as Chairman of the Compensation Committee. Mr. Warren has also served as an advisor to First Financial Holdings, Inc., a bank holding company based in South Carolina, over the past five years. Prior to retirement in December 2007, Burney Warren was Executive Vice President and Director of Mergers and Acquisitions for Branch Banking and Trust Company ("BB&T"), one of the largest commercial banks in the United States. Mr. Warren was responsible for the development, structure and negotiation of BB&T's bank and non-bank acquisitions. During his tenure, he successfully completed the acquisition of over 50 banks and thrifts and numerous nonbank transactions, including capital markets, brokerage, fixed income and consumer finance. Prior to joining BB&T in 1990, Mr. Warren was President and Chief Executive Officer of First Federal Savings Bank, Greenville, N.C. Mr. Warren is currently chairman of East Carolina University's Real Estate Foundation and serves on the board and executive committee of the East Carolina University Foundation. Mr. Warren received a Bachelor of Science degree in business administration from East Carolina University. Mr. Warren's qualifications to serve on our Board of Directors include his extensive experience at identifying and integrating acquisitions for complex financial institutions.

PROPOSAL 2—RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit and Risk Committee of the Board of Directors has appointed KPMG LLP ("KPMG") as our independent registered public accounting firm for the year ending December 31, 2014. Shareholders will vote at the Meeting to ratify such appointment. Representatives from KPMG are expected to be present at the Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

The Board recommends that shareholders vote FOR the proposal to ratify the appointment of KPMG as our independent registered public accounting firm for 2014 (Proposal 2).

KPMG Fees

We incurred the fees shown in the following table for professional services provided by KPMG for 2013 and 2012:

	2013	2012
Audit fees	\$1,337,500	\$1,577,425
Audit-related fees	150,779	0
Tax fees	182,101	288,573
All other fees	0	0
Total	\$1,670,380	\$1,865,998

Audit Fees. Audit fees principally relate to the audit of our annual financial statements, the review of our quarterly financial statements included in our Quarterly Reports on Form 10-Q and the audit of our internal control over financial reporting. 2013 and 2012 audit fees include fees for services related to the review of registration statements and related consent filings of \$15,000 and \$152,425, respectively.

Audit-Related Fees. Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees" above. Audit-related fees in 2013 relate to acquisition-related due diligence services.

Table of Contents

Tax Fees. Tax fees principally relate to the preparation of tax returns and compliance services, tax planning and consultation services.

Audit and Risk Committee Pre-Approval Policies and Procedures

The Audit and Risk Committee selects and oversees our independent registered public accounting firm. The Audit and Risk Committee's charter requires that the committee pre-approve all audit, audit-related, tax and other services performed by the independent registered public accounting firm, subject to de minimis exceptions for certain non-audit services, so long as such services are approved by the committee prior to the completion of the audit. In approving any non-audit services, the Audit and Risk Committee considers whether the provision of the services would impair the independent registered public accountant's independence.

The Audit and Risk Committee may delegate pre-approval authority to designated subcommittees consisting of one or more members of the committee, provided that any such pre-approvals are presented to the committee at its next scheduled meeting. The Audit and Risk Committee has delegated such pre-approval authority to its Chair.

In 2013 and 2012, the Audit and Risk Committee pre-approved all of the audit and non-audit services provided by KPMG.

PROPOSAL 3—APPROVAL OF THE
NATIONAL BANK HOLDINGS CORPORATION 2014 OMNIBUS INCENTIVE PLAN

The Board has approved our 2014 Omnibus Incentive Plan (the "Plan") and is submitting a proposal for approval of the Plan by shareholders. The Plan replaces the NBH Holdings Corp. 2009 Equity Incentive Plan (the "Prior Plan"), pursuant to which we granted equity awards prior to and after our initial public offering in September 2012 ("IPO"). If the Plan is approved, no additional equity awards will be granted pursuant to the Prior Plan.

The granting of equity awards is an important aspect of the Company's compensation program and the Company has determined that adopting a new omnibus plan is an essential tool for advancing its compensation philosophy. As of December 31, 2013, there were 766,580 shares available for grant pursuant to the Prior Plan, including 257,912 shares available for grant as "full value awards" (restricted stock, restricted stock units, performance shares, etc.) and 508,668 shares available for grant subject to options.

Our Board believes that our executive compensation program, and particularly the granting of equity awards, allows the Company to align the interests of its executives and other associates of the Company who are selected to receive awards with those of shareholders by rewarding long-term decision-making and actions for the benefit of the Company. The Company believes that equity-based compensation assists in the attraction and retention of qualified executives and other associates and provides them with additional incentive to devote their best efforts to pursue and sustain our long-term performance, enhancing the value of the Company for the benefit of its shareholders.

Furthermore, the Company believes it is important to have the flexibility to grant various types of equity awards to its associates so that it can react appropriately to the changing competitive and regulatory environment while being mindful of the impact to shareholders. Most of our competitors employ a wide range of incentive compensation vehicles and the Company desires to have the tools in place to be competitive with market practices. The shares available for awards under the Prior Plan will likely be insufficient to satisfy our equity compensation needs for 2015 and beyond. Therefore, if our shareholders do not approve the Plan, we may experience a shortfall of shares available for issuance that we believe may adversely affect our ability to attract, retain and reward associates who contribute to our long-term success.

Our Compensation Committee requested its compensation consultant, F.W. Cook & Co., Inc., to review the Plan and the Compensation Committee considered the input from F.W. Cook in its recommendation for approval. See the section "Role of Compensation Consultant" elsewhere in this Proxy Statement.

If the Plan is approved by shareholders, it will permit, but not require, awards under the Plan to qualify as tax-deductible performance-based compensation under Section 162(m) of the Internal Revenue Code (the "Code"). Section 162(m) of the Code generally places a \$1 million annual limit on a company's tax deduction for compensation paid to certain senior executives, other than compensation that satisfies the applicable requirements for a performance-based compensation exception. To qualify as performance-based compensation under Section 162(m) of the Code, the

Table of Contents

compensation must (among other requirements) be subject to attainment of performance goals that have been disclosed to shareholders (in the case of stock options and stock appreciation rights, this requirement is met if the exercise price is equal to or greater than the fair market value of the stock on the date of issuance) and approved by a majority shareholder vote. In some cases, however, the exemption may cease to be available for some or all awards that otherwise were designed to qualify for exemption from Section 162(m) of the Code. Thus, it is possible that Section 162(m) of the Code may disallow compensation deductions that would otherwise be available to the Company. In addition, the Company may choose to grant awards under the Plan that do not qualify for the performance-based compensation exemption under Section 162(m) of the Code.

We are asking shareholders to approve the material terms of the performance goals under the Plan so that the Company may make awards that qualify as performance-based compensation under Section 162(m) of the Code, and thus, would be tax-deductible. For purposes of Section 162(m) of the Code, the material terms requiring shareholder approval include the following in their entirety:

- the associates eligible to receive awards under the Plan;
- the business criteria used as the basis for the performance goals; and
- the limits on the maximum amount of compensation payable to any associate in a given time period.

By approving the Plan, the shareholders will be approving, among other things, the eligibility requirements, performance goals, and limits on various types of awards contained therein for purposes of Section 162(m) of the Code. By approving the Plan, the shareholders will also satisfy the applicable stock exchange requirements for shareholder approval of equity compensation plans.

The Board recommends that shareholders vote FOR the proposal to approve the National Bank Holdings Corporation 2014 Omnibus Incentive Plan (Proposal 3).

Summary of the Plan

The following is a summary of the material terms of the Plan. The full text of the Plan is attached as Annex A to this Proxy Statement and the following summary is qualified in its entirety by reference to the terms of the Plan. Shareholders are urged to review the Plan before determining how to vote on this proposal.

Overview

The purpose of the Plan is to give us the ability to competitively attract, retain and motivate executives, associates, directors and consultants who will contribute toward our continued growth, profitability and success by providing stock-based incentives that offer an opportunity to participate in our future performance and align the interests of such officers, associates, directors and/or consultants with those of our shareholders.

Administration

The Plan will be administered by our Compensation Committee or, if the Board elects, such other committee of our Board as our Board may from time to time designate, which we refer to as the "Committee." Our Compensation Committee is comprised solely of independent directors. Among other things, the Committee has the authority to select individuals to whom awards may be granted, to determine the type of award as well as the number of shares of common stock to be covered by each award, and to determine the terms and conditions of any such awards. Subject to applicable law, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members or persons selected by it.

Eligibility

Current and prospective directors, associates (including executive officers) and consultants to the Company and any of our subsidiaries and affiliates are eligible to participate in the Plan.

Table of Contents

Shares Subject to the Plan

The aggregate number of shares of our Class A common stock available for issuance under the Plan is 5,000,000 shares, less one share for every one share subject to an option or stock appreciation right granted after December 31, 2013 and prior to the effective date of the Plan under the Prior Plan and 3.25 shares for every one share subject to an award other than an option or stock appreciation right granted under the Prior Plan after December 31, 2013 and prior to the effective date of the Plan. Any shares that are subject to stock options or stock appreciation rights under the Plan will be counted against this limit as one share for every one share granted, and any shares that are subject to awards under the Plan other than stock options or stock appreciation rights will be counted against this limit as 3.25 shares for every one share granted.

In determining the number of shares to be available under the Plan, our Compensation Committee considered various data. The data included both historical (although limited) and prospective analysis of the equity awarded or to be awarded annually by the Company as a percentage of common shares outstanding (a measure commonly known as “run-rate” or “burn-rate”) and analysis of the Company’s total outstanding equity awards plus remaining authorized shares as a percentage of common shares outstanding (commonly known as “overhang”). In addition, the data included information on general banking industry practice with respect to burn rate, which is particularly important for the Company because, as a newly public company, there is limited relevant historical grant practices for the Compensation Committee to consider. The data also included an analysis of the estimated economic impact of the proposed shares available.

During any calendar year, no participant may be granted performance-based equity awards intended to qualify under Section 162(m) of the Code (other than stock options and stock appreciation rights) covering in excess of 300,000 shares or stock options and stock appreciation rights covering in excess of 600,000 shares. During any calendar year, the aggregate grant date fair value of all awards granted to any non-employee director of the Company may not exceed \$500,000 (\$1,000,000 in the first calendar year in which an individual becomes a member of the Board).

To the extent that any award under the Plan or, after December 31, 2013, any award under the Prior Plan, is forfeited, expires, or is settled for cash, the shares of Class A common stock subject to such awards not delivered as a result thereof will again be available for awards under the Plan. Any shares that become available for awards will be added as one share for every one share subject to stock options or stock appreciation rights and 3.25 shares for every one share subject to awards other than stock options and stock appreciation rights. If the tax withholding obligations relating to any award under the Plan or, after December 31, 2013, an award under the Prior Plan (in each case, other than awards of stock options or stock appreciation rights) are satisfied by delivering shares of Class A common stock (by either actual delivery or by attestation), the shares tendered or withheld will be added to the shares available for awards under the Plan. But to the extent any shares of Class A common stock subject to an award or, after December 31, 2013, an award under the Prior Plan, (a) are withheld to satisfy the exercise price of a stock option, or the tax withholding obligations relating to stock options or stock appreciation rights, (b) are not issued in connection with the stock settlement of a stock appreciation right upon exercise, or (c) are reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of stock options, such shares of Class A common stock will not be added to the shares authorized for grant under the Plan.

The Plan provides that in the event of certain extraordinary corporate transactions or events affecting us, the Committee or our Board will or may make such substitutions or adjustments as it deems appropriate and equitable to (a) the aggregate number and kind of shares or other securities reserved for issuance and delivery under the Plan, (b) the various maximum limitations set forth in the Plan, (c) the number and kind of shares or other securities subject to outstanding awards, and (d) the exercise price of outstanding options and stock appreciation rights. In the case of corporate transactions such as a merger or consolidation, such adjustments may include the cancellation of outstanding awards in exchange for cash or other property or the substitution of other property for the shares subject to outstanding awards.

Awards

A summary of the types of awards that can be made under the Plan is set forth below.

Table of Contents

Stock Options and Stock Appreciation Rights

Stock options granted under the Plan may either be incentive stock options, which are intended to qualify for favorable treatment to the recipient under U.S. federal tax law, or nonqualified stock options, which do not qualify for this favorable tax treatment. Stock appreciation rights granted under the Plan may either be “tandem SARs,” which are granted in conjunction with a stock option, or “free-standing SARs,” which are not granted in tandem with a stock option. The Plan does not permit any stock option or stock appreciation right to be amended to decrease the exercise price thereof, be cancelled in exchange for cash or other awards or in conjunction with the grant of any new stock option or free-standing SAR with a lower exercise price, or otherwise be subject to any action that would be treated, under the NYSE listing standards or for accounting purposes, as a “repricing” of such stock option or free-standing SAR, without the approval of shareholders.

Each grant of stock options or stock appreciation rights under the Plan will be evidenced by an award agreement that specifies the exercise price, the duration of the award, the number of shares to which the award pertains, and such additional limitations, terms, and conditions as the Committee may determine, including, in the case of stock options, whether the options are intended to be incentive stock options or nonqualified stock options. The Plan provides that the exercise price of stock options and stock appreciation rights will be determined by the Committee, but may not be less than 100% of the fair market value of the stock underlying the stock options or stock appreciation rights on the date of grant. Award holders may pay the exercise price in cash or, if approved by the Committee, in Class A common stock (valued at its fair market value on the date of exercise) or a combination thereof, or by “cashless exercise” through a broker or by withholding shares otherwise receivable on exercise. The term of stock options and stock appreciation rights will be determined by the Committee, but may not exceed ten years from the date of grant. The Committee will determine the vesting and exercise schedule of stock options and stock appreciation rights, and the extent to which they will be exercisable after the award holder’s service with the Company terminates.

Restricted Stock

Restricted stock may be granted under the Plan with such restrictions as the Committee may designate. The Committee may provide at the time of grant that the vesting of restricted stock will be contingent upon the achievement of applicable performance goals and/or continued service. Except for these restrictions and any others imposed under the Plan or by the Committee, upon the grant of restricted stock under the Plan, the recipient will have rights of a shareholder with respect to the restricted stock, including the right to vote the restricted stock; however, whether and to what extent the recipient will be entitled to receive cash or stock dividends paid, either currently or on a deferred basis, will be set forth in the award agreement.

Restricted Stock Units

The Committee may grant restricted stock units payable in cash, shares of Class A common stock, or both, conditioned upon continued service and/or the attainment of applicable performance goals determined by the Committee. We are not required to set aside a fund for the payment of any restricted stock units and the award agreement for restricted stock units will specify whether, to what extent, and on what terms and conditions the applicable participant will be entitled to receive dividend equivalents with respect to the restricted stock units.

Performance Units

The Committee may grant performance units valued by reference to a designated amount of cash or other property (other than shares of Class A common stock) under the Plan, which will be payable in cash, shares of Class A common stock, other property, or any combination thereof and conditioned upon attainment of applicable performance goals determined by the Committee. The maximum value of property, including cash, that may be paid or distributed to any Plan participant pursuant to a grant of Performance Units made in any one calendar year will not exceed \$5 million.

Stock-Bonus Awards

The Committee may grant unrestricted shares of our Class A common stock, or other awards denominated in our Class A common stock, alone or in tandem with other awards, in such amounts and subject to such terms and conditions as the Committee determines from time to time in its sole discretion.

Table of Contents

Performance Awards

Under the Plan, the Committee may determine that the grant, vesting, or settlement of an award granted under the Plan will be subject to the attainment of one or more performance goals.

The Committee has the authority to establish any performance objectives to be achieved during the applicable performance period when granting performance awards. If an award under the Plan is intended to qualify as “performance-based compensation” under Section 162(m) of the Code, the performance goals will be established with reference to one or more of the following, either on a Company-wide basis, or, as relevant in respect of one or more affiliates, subsidiaries, divisions, departments or operations of the Company: stock price, earnings and earnings per share (including core, gross, net, pre-tax, post-tax, pre-provision, earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, and whether or not excluding or adjusting for specific items, which may include stock or other compensation expense, impairment charges, indemnification asset amortization or loss-share accounting metrics), net income and net income per share (including core, gross, net, pre-tax, post-tax, pre-provision, earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, and whether or not excluding or adjusting for specific items, which may include stock or other compensation expense, impairment charges, indemnification asset amortization or loss-share accounting metrics), profits (net profit, gross profit, operating profit, economic profit, profit margins or other corporate profit measures, in total or with respect to specific categories or business units), operating or cash earnings and operating or cash earnings per share; cash (cash flow, cash flow per share, cash flow return on investment, cash generation or other cash measures, before or after dividends); return on equity (including average and/or tangible), return on assets, risk weighted assets or operating assets (including average and/or tangible), asset quality (including charge-offs, loan loss reserves, non-performing assets or loans and related ratios), net interest margin (including on a tax equivalent basis), net interest income (including on a tax equivalent basis), core non-interest income (including on a tax equivalent basis), interest-sensitivity gap levels, investments, efficiency ratio, non-interest expense, non-interest expense to average assets, expense targets, cost control, cost-saving levels, loan portfolio growth, deposit portfolio growth, levels of assets, loans (in total or with respect to specific categories of loans) and/or deposits (in total or with respect to specific categories of deposit accounts, and with respect to number of account relationships or account balance amounts), cost of funds, liquidity, market share, growth in target market relationships, objective customer service measures or indices, business expansion or consolidation (acquisitions and divestitures), economic value added, shareholder value added, embedded value added, combined ratio, operating income, pre- or after-tax income, gross margin, risk-based capital, revenues, revenue growth, return on capital (including return on total capital or return on invested capital), total shareholder return, strategic plan development and implementation, internal rate of return, regulatory compliance, satisfactory internal or external audits, book value and book value per share, tangible shareholders’ equity and tangible book value per share, tangible common equity and tangible common equity per share, tangible common equity to tangible assets, tangible common equity to risk-weighted assets, achievement of balance sheet or income statement objectives, unit volume, sales, marketing spending efficiency or change in working capital, in each case with respect to the Company or any one or more subsidiaries, divisions, business units, or business segments thereof, either in absolute terms or relative to the performance of one or more other companies (including an index covering multiple companies).

Termination of Employment

The impact of a termination of employment on an outstanding award granted under the Plan, if any, will be set forth in the applicable award agreement.

Treatment of Outstanding Equity Awards Following a Change in Control

The Plan provides that, unless otherwise set forth in an award agreement, in the event of a change in control (as defined in the Plan), (a) all then-outstanding stock options and stock appreciation rights will become fully vested and exercisable, and all other awards (other than performance-based awards) will vest, be free of restrictions, and be deemed to be earned and payable; and (b) all then-outstanding performance-based awards will be deemed to be earned and payable, with all applicable performance goals deemed achieved at the greater of (i) the applicable target level and (ii) actual performance, as determined by the Committee, through the date of the change in control.

Amendment and Termination

The Plan may be amended, altered, or discontinued by our Board or the Committee, but no amendment, alteration, or

Table of Contents

discontinuation may be made if it would materially impair the rights of a participant without the participant's consent, except for any such amendment required to comply with law. The Plan may not be amended, without shareholder approval to the extent such approval is required to comply with applicable law or the listing standards of the applicable exchange.

Federal Income Tax Consequences Relating to Equity Awards Granted under the Plan

The following discussion summarizes certain federal income tax consequences of the issuance, receipt, and exercises of stock options and the granting and vesting of restricted stock and restricted stock units, in each case under the Plan. The summary does not purport to cover federal employment tax or other federal tax consequences that may be associated with the Plan, nor does it cover state, local, or non-U.S. taxes.

Incentive Stock Options

In general, a participant realizes no taxable income upon the grant or exercise of an incentive stock option ("ISO"). The exercise of an ISO, however, may result in an alternative minimum tax liability to the participant. With certain exceptions, a disposition of shares purchased under an ISO within two years from the date of grant or within one year after exercise produces ordinary income to the participant (and a deduction for the Company) equal to the value of the shares at the time of exercise less the exercise price. Any additional gain recognized in the disposition is treated as a capital gain for which we are not entitled to a deduction. If the participant does not dispose of the shares until after the expiration of these one- and two-year holding periods, any gain or loss recognized upon a subsequent sale is treated as a long-term capital gain or loss for which we are not entitled to a deduction.

Nonqualified Stock Options

In general, in the case of a nonqualified stock option ("NSO"), the participant has no taxable income at the time of grant but realizes income in connection with exercise of the option in an amount equal to the excess (at the time of exercise) of the fair market value of the shares acquired upon exercise over the exercise price. A corresponding deduction is available to us. Any gain or loss recognized upon a subsequent sale or exchange of the shares is treated as capital gain or loss for which we are not entitled to a deduction.

Restricted Stock

Unless a participant makes an election to accelerate recognition of the income to the date of grant as described below, the participant will not recognize income, and the Company will not be allowed a tax deduction, at the time a restricted stock award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock as of that date, less any amount paid for the stock, and the Company will be allowed a corresponding tax deduction at that time. If the participant files an election under Section 83(b) of the Code within 30 days after the date of grant of the restricted stock, the participant will recognize ordinary income as of the date of grant equal to the fair market value of the common stock as of that date, less any amount the participant paid for the common stock, and we will be allowed a corresponding tax deduction at that time. Any future appreciation in the common stock will be taxable to the participant at capital gains rates. If, however, the restricted stock award is later forfeited, the participant will not be able to recover the tax previously paid pursuant to his or her Section 83(b) election.

Restricted Stock Units

A participant does not recognize income, and the Company will not be allowed a tax deduction, at the time a restricted stock unit is granted. When the restricted stock units vest and are settled for cash or stock, the participant generally will be required to recognize as income an amount equal to the fair market value of the shares on the date of vesting. Any gain or loss recognized upon a subsequent sale or exchange of the stock (if settled in stock) is treated as capital gain or loss for which we are not entitled to a deduction.

New Plan Benefits

Any awards under the Plan will be subject to the discretion of our Compensation Committee. As a result, it is not possible to determine the number or type of awards that will be granted to any person under the Plan. The current executive officers named under the section "Executive Officers" elsewhere in this Proxy Statement and each of the

Table of Contents

Company's non-employee directors are among the individuals eligible to receive awards under the Plan. In addition, for 2014, approximately 153 other officers and associates are eligible to participate in the Plan. The number of associates eligible to receive awards under the Plan may increase or decrease in future years.

With respect to 2013, equity-based awards were granted under the Prior Plan to the Company's named executive officers as set forth in the table captioned "2013 Grants of Plan-Based Awards" elsewhere in this Proxy Statement. A total of 55,516 shares of restricted stock and 67,470 options, having aggregate grant date fair values of \$1.0 million and \$0.4 million, respectively, were granted to the Company's current executive officers as a group. With respect to 2013, a total of 29,850 shares of restricted stock having an aggregate grant date fair value of \$0.5 million were granted to non-employee directors as a group (no options were granted to non-employee directors in 2013). A total of 60,852 shares of restricted stock and 110,081 options, having aggregate grant date fair values of \$1.1 million and \$0.6 million, respectively, were granted to all associates, other than the executive officers, as a group with respect to 2013.

Equity Compensation Plan Information

The following table provides information with respect to all of our equity compensation plans (i.e., our 2009 Equity Incentive Plan) under which securities are authorized for issuance as of December 31, 2013:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted- Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	3,515,486 ⁽¹⁾	\$19.92	766,580
Equity compensation plans not approved by security holders	—	—	—
Total	3,515,486	\$19.92	766,580

⁽¹⁾ Includes 2,832,583 vested and exercisable options. Does not include the 1,064,460 voting shares of unvested restricted stock grants outstanding as of December 31, 2013.

GOVERNANCE

The Board is committed to sound and effective governance principles and practices. The Board has adopted Governance Guidelines to provide the framework for the governance of the Board and the Company. These Guidelines set forth, among other matters, qualifications for Board membership, director independence standards, director responsibilities, information about the structure of the Board and its committees, director compensation, management succession and Board self-evaluation. Each director serves for a one-year term. We do not have a staggered or classified board.

The Board has adopted a Code of Business Conduct and Ethics that applies to all of our associates, including our directors. Additionally, the Board has adopted a Supplemental Code of Ethics for CEO and Senior Financial Officers. We expect all of our associates to adhere to the highest standards of ethics and business conduct with other associates, clients, shareholders, and the communities we serve and to comply with all laws, rules, and regulations that govern our businesses.

Shareholders and other interested persons may view our Governance Guidelines, our Codes of Ethics and other key information about our corporate governance on our website at www.nationalbankholdings.com.

Board and Committee Meetings; Annual Meeting Attendance

Directors are expected to attend all Board meetings and meetings of committees on which they serve.

Table of Contents

The Board held eleven meetings during 2013. During 2013, each director attended at least 75% of the total number of meetings of the Board and committees on which he or she served. The Board and each standing committee met in executive sessions both with and without the CEO and other members of management present during each of their 2013 meetings. During 2013, Chairman Cahouet chaired each of the executive sessions of the Board and the chairs of each committee chaired the executive sessions of the committees.

All directors are expected to attend each annual meeting of shareholders of the Company. In 2013, all directors attended the Company's annual meeting of shareholders.

Committees of the Board

The Board has established three standing committees: Audit and Risk Committee, Compensation Committee and Nominating and Governance Committee. The Board's committees act on behalf of the Board and report on their activities to the entire Board. The Board appoints the members and chair of each committee based on the recommendation of the Nominating and Governance Committee.

The following table provides membership information for each of the Board's standing committees as of the date of this Proxy Statement.

Audit and Risk Committee	Compensation Committee	Nominating and Governance Committee
Ralph W. Clermont, Chair	Burney S. Warren, III, Chair	Robert E. Dean, Chair
Frank V. Cahouet	Frank V. Cahouet	Frank V. Cahouet
Robert E. Dean	Robert E. Dean	Ralph W. Clermont
Lawrence K. Fish	Lawrence K. Fish	Micho F. Spring
Burney S. Warren, III		
Micho F. Spring		

With respect to each committee, the Board has adopted a charter that addresses its purpose, authority and responsibilities and contains other provisions relating to, among other matters, membership and meetings. In its discretion, each committee may form and delegate all or a portion of its authority to subcommittees of one or more of its members. As required by its charter, each committee periodically reviews and assesses its charter's adequacy and reviews its performance, and also is responsible for overseeing risk related to the responsibilities described in its charter. Shareholders and other interested persons may view each committee's charter on our website at www.nationalbankholdings.com.

Audit and Risk Committee

Purpose and Responsibilities. The Audit and Risk Committee is responsible for, among other things:

- Reviewing our financial statements and public filings that contain financial statements, significant accounting policy changes, material weaknesses and significant deficiencies, if any, and risk management issues;

- Serving as an independent and objective body to monitor and assess our compliance with legal and regulatory requirements, our financial reporting processes and related internal control systems and the performance of our internal audit function;

- Overseeing the audit and other services of our outside auditors and being directly responsible for the appointment, independence, qualifications, compensation and oversight of the outside auditors;

- Discussing any disagreements between our management and the outside auditors regarding our financial reporting; and

- Preparing the Audit and Risk Committee Report for inclusion in our proxy statement for our annual meeting.

Table of Contents

Membership and Meetings. Under its charter, the Audit and Risk Committee must have a minimum of three members. No Audit and Risk Committee member may serve on the audit committee of more than two other public companies. Each member of the Audit and Risk Committee is independent, as independence for audit committee members is defined by NYSE and SEC rules, as discussed below under “Director Independence.” The Board has determined, in its business judgment, that each current member of the Audit and Risk Committee is financially literate as required by NYSE rules, and that Mr. Clermont, the committee’s chair, qualifies as an “audit committee financial expert” as defined by SEC regulations.

The Audit and Risk Committee meets as often as necessary to carry out its responsibilities but no less than quarterly. In 2013, the Audit and Risk Committee met five times.

Compensation Committee

Purpose and Responsibilities. The Compensation Committee is responsible for, among other things:

- Determining the compensation of our executive officers;
- Reviewing our executive compensation policies and plans;
- Oversight of the Company’s compensation practices generally;
- Administering and implementing our equity compensation plans;
- Preparing a report on executive compensation for inclusion in our proxy statement for our annual meeting; and
- Overseeing the Company’s talent management and succession planning process, including succession planning for the position of CEO.

The Compensation Committee’s process and procedures for establishing compensation for named executive officers is discussed in the Compensation Discussion and Analysis below.

Membership and Meetings. Under its charter, the Compensation Committee must have a minimum of three members, two of which must meet the definition of a “non-employee director” under Rule 16b-3 of the Exchange Act and qualify as an “outside director” under Internal Revenue Code Section 162(m). All Compensation Committee members must be independent under NYSE rules. The Board has determined that each current Compensation Committee member meets these qualifications, as further discussed below under “Director Independence.” The Compensation Committee meets as often as necessary to carry out its responsibilities. In 2013, the Compensation Committee met six times.

Nominating and Governance Committee

Purpose and Responsibilities. The Nominating and Governance Committee is responsible for, among other things:

- Identifying individuals qualified to become members of our Board of Directors and recommending director candidates for election or reelection to our Board;
- Reviewing and making recommendations to our Board of Directors with respect to the compensation and benefits of directors;
- Reviewing and approving or ratifying all related-party transactions in accordance with the Company’s Related Person Transactions Policy;
- Assessing the performance of our Board of Directors and its committees; and
- Monitoring our governance policies, principles and practices.

Information about the Nominating and Governance Committee’s process and procedures for establishing director compensation appears below under “Director Compensation.”

Table of Contents

Membership and Meetings. Under its charter, the Nominating and Governance Committee must have a minimum of three members, each of whom must be independent under NYSE rules. The Board has determined that each member meets this standard, as discussed below under “Director Independence.” The Nominating and Governance Committee meets as often as necessary to carry out its responsibilities. In 2013, the Nominating and Governance Committee met five times.

Director Independence

Our Governance Guidelines and committee charters require that a majority of the members of the Board of Directors and all members of the Audit and Risk Committee, the Compensation Committee and the Nominating and Governance Committee meet the criteria for independence required by the NYSE. Our Governance Guidelines require all members of the Audit and Risk Committee to meet the heightened independence requirements for audit committee members under the Exchange Act.

In February 2014, the Board, with the assistance of the Nominating and Governance Committee, undertook its annual review of director independence. In connection with this review, the Board evaluated banking, commercial, business, investment, legal, charitable, consulting, familial or other relationships with each director, and us and our affiliates, including those relationships described under “Certain Relationships and Related Person Transactions” elsewhere in this Proxy Statement. As a result of this review, the Board affirmatively determined that all of the directors are independent of the Company and its management under the corporate governance standards of the NYSE, including applicable SEC rules, with the exception of G. Timothy Laney because of his employment as an executive of the Company.

Board Leadership Structure

The Board is responsible for overseeing the exercise of corporate power and seeing that our business and affairs are managed to meet our stated goals and objectives and that the long-term interests of our shareholders are served. The Board currently does not have a fixed policy on whether the same person may serve as both the Chief Executive Officer and Chairman of the Board or, if the roles are combined, whether there should be a lead independent director structure. The Board believes that it should have the flexibility to make these determinations at any given point in time in the way that it believes best to provide appropriate leadership for the Company at that time. The offices of Chairman and Chief Executive Officer are currently separate, and our current Chairman, Mr. Cahouet, is an independent director. The Chairman is responsible for providing guidance to the CEO, setting the agendas for Board meetings (in consultation with the CEO and other directors), presiding over Board and shareholder meetings and facilitating communications between the Board and the CEO, and exercising such other powers and duties as set forth in our bylaws and as may from time to time be assigned to him by the Board. The Chief Executive Officer is responsible for general management of our business affairs, and ensuring that all orders and resolutions of the Board are carried into effect. The Board believes that the current leadership structure has served the Company well and that it is the best leadership structure for the Company under the present circumstances.

Our current board leadership structure supports the independence of the independent directors. The independent directors meet in executive session at each Board meeting and each of the standing committees is comprised solely of and led by independent directors. Our independent Chairman of the Board presides at each executive session of the Board and the independent committee chairs preside over the executive sessions of their respective committees.

The Board’s Role in Risk Oversight

Our Board of Directors oversees risk management throughout the Company. The Board accomplishes this primarily through its three standing committees, each of which is active in risk management.

The Audit and Risk Committee is responsible for oversight of the Company’s market, credit, liquidity, fraud, legal, compliance and other financial, operational and reputational risks. The Audit and Risk Committee is further responsible for reviewing and approving guidelines, policies and processes for managing these risks. The Audit and Risk Committee monitors the Company’s risk exposure in all risk categories through regular reports prepared by members of management including the Company’s Chief Risk Officer. The Audit and Risk Committee determines

Table of Contents

the risk appetite of the Company. Additionally, the Audit and Risk Committee meets with representatives from the Company's independent registered public accountant, including in executive session without management present. The Compensation Committee oversees risks related to compensation, including risks that may arise from the Company's incentive compensation practices. The Compensation Committee oversees and evaluates the design, administration and risk management of all of the Company's material incentive compensation arrangements to ensure consistency with the safety and soundness of the Company and to appropriately balance risk and reward. The Compensation Committee also oversees the annual compensation risk assessment to identify any compensation practices that may present an unacceptable level of risk to the Company.

The Nominating and Governance Committee oversees the Company's governance program. This includes the Company's code of ethics, insider trading policy, disclosure policies, management of potential conflicts of interest, including related party transactions, and director independence.

Communications with Directors

Shareholders and other interested parties who wish to communicate with the Board, the independent directors as a group, or one or more individual directors may do so by contacting the Board's Secretary by mail at National Bank Holdings Corporation, 7800 E. Orchard Road, Suite 300, Greenwood Village, CO 80111. Under our Governance Guidelines, the Secretary is responsible for referring such communication to the Board.

Director Nomination Process and Board Diversity

The Nominating and Governance Committee is responsible for recommending candidates for membership on our Board of Directors. The Nominating and Governance Committee is responsible for identifying and reviewing the qualifications and independence of Board candidates. While the Nominating and Governance Committee does not have a formal policy regarding diversity, pursuant to our Governance Guidelines, the Nominating and Governance Committee considers diversity in its assessment of potential nominees for Board membership.

Shareholders are welcome to recommend candidates for membership on the Board. The Nominating and Governance Committee, in accordance with its charter, will evaluate candidates in the same manner that it evaluates other potential nominees. Our Bylaws require timely notice of shareholder nominations to our Secretary, as further discussed in the section "2015 Annual Meeting of Shareholders — Shareholder Proposals" elsewhere in this Proxy Statement. In order to make a nomination, a shareholder must be a shareholder at the time the Company gives notice of its annual meeting and at the time of the annual meeting, must be entitled to vote at the annual meeting, and must comply with the procedures of our Bylaws. The Bylaws require certain information regarding shareholders who wish to nominate candidates for Board membership. This includes (i) the name and address of such shareholder, as they appear on the Company's books, of such beneficial owner, if any, and of their respective affiliates or associates or others acting in concert therewith, (collectively, the "Nominating Party"), (ii) information regarding the shares owned by the Nominating Party, (iii) information regarding derivative and other instruments regarding the Company's stock that the Nominating Party owns, (iv) contracts, arrangements, understandings or relationships the Nominating Party has entered into concerning the Company's stock and (v) other information relating to the Nominating Party that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. For complete description of the requirements and procedures for shareholder nominations, please refer to our Bylaws.

Compensation Committee Interlocks and Insider Participation

During 2013, our compensation committee consisted of Messrs. Warren, Cahouet, Dean and Fish. None of them has at any time been an officer or associate of the Company (other than Mr. Fish, who acted on an exigent basis as Interim Chief Executive Officer in 2010 following the death of our original Chief Executive Officer until Mr. Laney began as CEO), and none has had any relationship with the Company of the type that is required to be disclosed under Item 404 of Regulation S-K. None of our executive officers serves or has served as a member of the board of directors, compensation committee or other board committee performing equivalent functions of another entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

Table of Contents

Director Compensation

The Nominating and Governance Committee reviewed director compensation in accordance with its charter in October 2012, assisted by F.W. Cook & Co., Inc., the independent compensation consultant that the Nominating and Governance Committee engages for director compensation matters. Based upon such review, the committee recommended and the full Board approved 2013 director compensation based upon the following principles:

- To align director interests with those of our shareholders, Board compensation should be predominately (at least 50%) equity-based; and to further this alignment, directors should have stock ownership requirements;
- Director compensation should be at a level appropriate to attract and retain very high caliber directors with exceptional levels of experience; and should be commensurate with the work required and responsibilities undertaken; and

- The Company should not pay directors individual meeting fees in order to foster management solicitation of director input and to avoid administrative burdens.

In 2013, each independent director received an annual cash retainer of \$60,000 for his or her service as a member of the Board of Directors. The Chairman of the Board of Directors received an additional \$30,000 cash retainer and the chairs of the Audit and Risk, Compensation and Nominating and Governance Committees each received an additional cash retainer of \$20,000. In addition, each independent director received a grant of restricted stock with an aggregate grant date fair value of \$90,000. The grants were made on the date immediately following our 2013 Annual Meeting of Shareholders, with 50% of the shares vesting 180 days following such date and 50% of the shares vesting on the date immediately preceding our 2014 Annual Meeting of Shareholders. No individual meeting fees are paid for either Board meetings or committee meetings, whether in person or by telephone. We reimburse directors for expenses incurred in their Board service, including the cost of attending Board and committee meetings. We do not provide personal benefits (perquisites) to our directors.

The Board of Directors adopted stock ownership guidelines for independent directors in 2012. These guidelines require independent directors to beneficially own shares of NBHC common stock with a value equal to four times the annual board cash retainer within five years. As of December 31, 2013, the NBHC common stock ownership of each independent director exceeded this stock ownership requirement. Details of these guidelines can be found in the section “Stock Ownership Guidelines” elsewhere in this Proxy Statement.

Mr. Laney, as an associate of the Company, does not receive separate compensation for his service on the Board of Directors. Information on his compensation is included under the sections “Compensation Discussion and Analysis” and “Executive Compensation Tables” elsewhere in this Proxy Statement.

Compensation for our independent directors during 2013 was as follows:

Director Compensation Table

Name	Fees earned or paid in Stock		Total (\$)
	cash (\$)	awards (\$) ⁽¹⁾	
Frank V. Cahouet	90,000	90,000	180,000
Ralph W. Clermont	80,000	90,000	170,000
Robert E. Dean	80,000	90,000	170,000
Lawrence K. Fish	60,000	90,000	150,000
Micho F. Spring	60,000	90,000	150,000
Burney S. Warren, III	80,000	90,000	170,000

Represents the aggregate grant date fair market value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation (“FASB ASC (1)Topic 718”), using the valuation assumptions described in Note 17, “Stock-Based Compensation and Benefits” of our consolidated financial statements filed with the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2013.

Table of Contents

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Related Person Transactions Policy and Procedures

The Board has adopted a written policy which establishes a framework for the review and approval or ratification of transactions between the Company and its related persons and/or their respective affiliated entities. We refer to this policy as our “Related Person Transactions Policy.” The Related Person Transactions Policy is available on our website at www.nationalbankholdings.com.

“Related Persons” under this policy include our directors, director nominees, executive officers, persons who recently served as directors or executive officers, holders of more than 5% of any class of our voting securities and immediate family members of any of the foregoing persons. An “immediate family member” of a related person means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law of a related person and any person (other than a tenant or employee) sharing a household with a related person.

Under the Related Person Transactions Policy, no Related Person Transaction may be consummated or continued unless approved by the Nominating and Governance Committee.

A “Related Person Transaction” is any transaction, arrangement or relationship (or series of similar transactions, arrangements or relationships) in which the Company (or any of its subsidiaries) is, was or will be a participant and the amount involved exceeds \$120,000, and in which the Related Person had, has or will have a direct or indirect material interest, other than:

Employment relationships or transactions involving an executive officer and any related compensation solely resulting from such employment if (i) at any time when the Company is subject to Sections 13 or 15(d) of the Exchange Act, the compensation is required to be reported in the Company’s annual proxy statement, and at any time when the Company is not subject to such Sections of the Exchange Act, the compensation is approved by the Compensation Committee of the Company or (ii) the executive officer is not an immediate family member as defined above and such compensation was approved, or recommended to the Board for approval, by the Compensation Committee.

• Compensation for serving as a director of the Company.

• Payments arising solely from the ownership of the Company's equity securities in which all holders of that class of equity securities received the same benefit on a pro rata basis.

• Indebtedness arising from ordinary-course transactions such as the purchases of goods and services at market prices, and indebtedness transactions with any person or entity that is a Related Person only because such person or entity owns more than 5% of any class of the Company’s voting securities.

• Transactions where the rates or charges are determined by competitive bids.

• Transactions where the rates or charges are fixed in conformity with law or governmental authority in connection with the provision of services as a common or contract carrier or public utility.

• Ordinary course transactions involving the provision of certain financial services (e.g., by a bank depository, transfer agent, registrar, trustee, etc.).

The Nominating and Governance Committee is responsible for approving, ratifying or disapproving of all Related Person Transactions. Company management is responsible for providing the Nominating and Governance Committee with all material information regarding Related Person Transactions and the interest of Related Persons in such transactions. The Nominating and Governance Committee shall only approve or ratify a Related Person Transaction if the committee determines that the transaction is in, or not inconsistent with, the best interests of the Company and its shareholders. No member of the Nominating and Governance Committee shall participate in the review, consideration or approval of any Related Person Transaction with respect to which such member or any member of his or her immediate family is a Related Person.

Table of Contents

In the event management determines it is impractical or undesirable to wait until the next meeting of the Nominating and Governance Committee to approve a Related Person Transaction, the Chair of the Nominating and Governance Committee may review and approve the Related Person Transaction, in accordance with the criteria set forth herein. The Chair of the Nominating and Governance Committee will report any such approval to the Nominating and Governance Committee at its next regularly scheduled meeting.

Ordinary Course Transactions

During 2012 and 2013, certain of the executive officers and directors of the Company or of NBH Bank, N.A., our wholly-owned bank subsidiary, and affiliates of such persons have, from time to time, engaged in banking transactions with NBH Bank, N.A. and are expected to continue such relationships in the future. All loans or other extensions of credit made by NBH Bank, N.A. to such individuals were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unaffiliated third parties and did not involve more than the normal risk of collectability or present other unfavorable features.