

TEXAS CAPITAL BANCSHARES, INC.

**AMENDED AND RESTATED CHARTER
OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

as of March 16, 2004

Purpose

The Board of Directors is charged with establishing and monitoring adherence to policies and procedures required by regulatory statutes and principles of safety and soundness. Consistent with this function, the Board of Directors hereby establishes an Audit Committee (the "Committee"). The Committee also functions as the Audit Committee of the Board of Directors of the Company's subsidiary, Texas Capital Bank, National Association (the "Bank"). References to the Company herein also include the Bank and all other direct and indirect subsidiaries of the Company. The purpose of the Committee is to oversee the processes of accounting and financial reporting of the Company, the audits and financial statements of the Company and the performance, independence and qualifications of the independent auditor and internal auditors of the Company. The Committee shall assist the Board of Directors in monitoring:

1. The Company's compliance with the Board of Directors' policies, operating policies and procedures, applicable laws and regulations and the effectiveness of the Company's internal controls;
2. The effectiveness of the system of reporting financial information to the shareholders and the integrity of the consolidated financial statements of the Company; and
3. The effectiveness and efficiency of the Company's information systems and the procedures for safeguarding resources against loss.

Membership

The Committee shall be comprised of:

1. Not less than three members of the Board of Directors;
2. Members of the Board of Directors who have no relationship to the Company that may interfere with the exercise of their independence from management and the Company, such as accepting any consulting, advisory or other fees from the Company; and
3. Members of the Board of Directors who are, in the Board of Directors' judgment, financially literate or who shall become financially literate within a reasonable period of time after appointment to the Committee. In addition, at least one member of the

Committee will have accounting or related financial management expertise sufficient to be considered a “Financial Expert”.

The Board of Directors may, at any time, and in its complete discretion, replace any member of the Committee.

Authority

The Board of Directors authorizes the Committee within the scope of its responsibilities to:

1. Seek any information it requires from any Company employee or any other source deemed advisable. All employees and external parties are directed by the Board of Directors to cooperate with any request made by the Committee;
2. Obtain outside legal or other independent professional advice;
3. Ensure the attendance at Committee meetings of external parties with relevant experience and expertise; and
4. Obtain from the Company appropriate funding, as determined by the Committee, to compensate the independent auditor, outside legal counsel, or any other advisors employed by the Committee, and to pay ordinary Committee administrative expenses that are necessary and appropriate in carrying out its duties.

Meetings

The Committee shall meet four times per year or more frequently as circumstances require; provided, that the Committee must meet at least twice per year in executive session, and that the Committee will periodically hold private meetings with management, the internal auditor and the independent auditor. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. The proceedings of all meetings will be documented in minutes, which will be approved by the Committee and presented at meetings of the Board of Directors.

Responsibilities

The Committee shall, in the course of its operation:

1. Review the disclosure and certifications of the Company’s Chief Executive Officer and Chief Financial Officer as required under Sections 302 and 906 of the Sarbanes-Oxley Act.
2. Provide an open avenue of communication between the Company’s independent auditor, its internal auditors, and the Board of Directors;
3. Instruct the independent auditor that the Board of Directors is the auditor’s client;

4. Possess sole authority to approve all audit engagement fees and terms, as well as all significant non-audit engagements with the independent auditor;
5. Approve the selection of the independent auditor and its annual plan and budget.
6. Be directly responsible for the appointment, compensation and oversight of the work of the Company's independent auditor for approval by the Board of Directors, and review and recommend the discharge of the independent auditor. On an annual basis, the Committee will require the independent auditor to submit a formal written statement regarding relationships and services which may affect its objectivity and independence and recommending any actions the Board of Directors should consider to address such matters;
7. Be directly responsible for overseeing the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, and the independent auditor shall report directly to the Committee;
8. Meet with the independent auditor and financial management of the Company to review the scope of the proposed audit for the current year and, at the conclusion thereof, review such audit, including any comments or recommendations of the independent auditor;
9. Consider the independent auditor's judgments regarding the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
10. Review quarterly with the independent auditor, before the Company files its Quarterly Report Form 10-Q, any significant events, transactions and changes in accounting estimates which were considered by the independent auditor, in performing the quarterly review, to have affected the quality of the Company's financial reporting. The Chairperson of the Committee or the Chairperson's designated representative may represent the entire Committee for purposes of this review;
11. Obtain, review and discuss reports from the independent auditor regarding: (1) all critical accounting policies and practices to be used; (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent auditor and the reasons for favoring that treatment; and (3) other material written communications between the independent auditor and Company management, such as any management letter or schedule of unadjusted differences;
12. Discuss with the independent auditor and then disclose the matters required to be discussed and disclosed by SAS 61, including any difficulties the independent auditor encountered in the course of the audit work, any restrictions on the scope of the

- independent auditor's activities or on access to requested information, and any significant disagreements with management;
13. Review the program of the Company's internal audit department's coverage and schedule for each quarter, including proposed recommendations made regarding audits of areas the Committee, management or the auditors believe to be of specific concern;
 14. Receive, prior to each meeting of the Committee, a summary of findings from completed internal audits and compliance audits for the prior period, a progress report on the current internal audit plan, and a report of outstanding weaknesses from prior audits;
 15. Provide sufficient opportunity for the Company's internal and independent auditors to meet privately with the members of the Committee to discuss any audit findings or other matters they deem relevant;
 16. Have periodic reviews with the Company's auditors and legal counsel regarding developments and changes in the various federal banking rules, regulations and other laws and the status of the Company's compliance record;
 17. Establish procedures for properly receiving, retaining and treating complaints received by the Company regarding auditing, internal accounting controls and accounting matters;
 18. Establish procedures for properly handling confidential, anonymous submissions by the Company's employees regarding questionable accounting or auditing matters;
 19. Annually review and assess the Committee's Charter and recommend any proposed changes to the Board of Directors;
 20. Insure that the independent auditors do not perform the non-audit services listed below on behalf of the Company during the time the independent auditors are contemporaneously preparing a mandatory audit: (i) bookkeeping or other services related to the accounting records or financial statements of the Company; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions or human resources; (vii) broker or dealer, investment adviser, or investment banking services; (viii) legal services and expert services unrelated to the audit; and (ix) any other service that the Public Accounting Oversight Board determines, by regulation, is impermissible;
 21. Approve in advance of performance by the independent auditors of permitted non-audit services, such as tax services, and cause disclosure of such non-audit services performed by the independent auditors to be made in the Company's periodic reports;
 22. Review and approve all related party transactions;

23. Review with management and the independent auditor any correspondence with regulators and any published reports that raise material issues regarding the Company's accounting policies;
24. Set clear hiring policies for employees or former employees of the independent auditor; and
25. Assure the regular rotation of the lead audit partner.

The Committee has the powers and responsibilities delineated in this Charter. It is not, however, the Committee's responsibility to prepare and certify the Company's financial statements, to guaranty the independent auditor's report, or to guaranty other disclosures by the Company. These are the fundamental responsibilities of management and the independent auditor. Committee members are not full-time Company employees and are not performing the functions of auditors or accountants.

Internal Audit Manager

The Company shall retain a full-time Internal Audit Manager whose primary duty shall be to plan and manage the internal audits of the Company's operations. The Internal Audit Manager shall review the status and results of internal audits and assess the effectiveness of service providers performing the internal audits. The Internal Audit Manager shall have the responsibility to report directly to the Committee the status of planned and ongoing internal audits and the results of completed audits, as well as the Internal Audit Manager's assessment of the results of internal audits and the service professionals providing the internal audit services. The Job Description of the Internal Audit Manager, which sets forth the duties of the Internal Audit Manager, is attached hereto as Exhibit A.

The management of the Company may recommend the employment, dismissal or change of duties of the Internal Audit Manager, however the Committee must provide prior approval of any such employment, dismissal or change of duties.