

CVB FINANCIAL CORP
Form DEF 14A
April 16, 2008

**UNITED STATES
SECURITIES AND EXCHANGE
COMMISSION**
Washington, D.C. 20549
SCHEDULE 14A

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

Filed by the Registrant **x**
Filed by a Party other than the Registrant **o**

Check the appropriate box:

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

CVB Financial Corp.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- x** No fee required.
- o** Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

1

CVB FINANCIAL CORP.

NOTICE OF 2008 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 21, 2008

TO OUR SHAREHOLDERS:

The 2008 Annual Meeting of Shareholders of CVB Financial Corp. will be held at the Ontario Convention Center, 2000 Convention Center Way, Ontario, California 91764 on Wednesday, May 21, 2008, at 7:00 p.m. local time.

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

1. **Election of Directors.** Elect eight persons to the Board of Directors to serve until their successors are elected and qualified. The following eight persons are the nominees:

- | | |
|--------------------------|----------------------|
| George A. Borba | Christopher D. Myers |
| John A. Borba | James C. Seley |
| Robert M. Jacoby, C.P.A. | San E. Vaccaro |
| Ronald O. Kruse | D. Linn Wiley |

2. **2008 Equity Incentive Plan.** Approve the CVB Financial Corp. 2008 Equity Incentive Plan.

3. **Ratification of Appointment of Independent Registered Public Accountants.** Ratify the appointment of KPMG, LLP as independent registered public accountants for 2008.

4. **Other Business.** Transact any other business which properly comes before the meeting.

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

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

1

of election shall then disregard all votes cast for each nominee. Additional information regarding procedures for shareholders recommending nominees for directors is set forth under the heading Consideration of Shareholder Nominees.

If you were a shareholder of record at the close of business on March 24, 2008, you may vote at the meeting or at any postponement or adjournment of the meeting.

IT IS IMPORTANT THAT ALL SHAREHOLDERS VOTE. WE URGE YOU TO SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE, REGARDLESS OF WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON. IF YOU DO ATTEND THE MEETING, YOU MAY THEN WITHDRAW YOUR PROXY AND VOTE IN PERSON.

By Order of the Board of Directors

/s/ Myrna Disanto
MYRNA DISANTO

Corporate Secretary

Dated: April 16, 2008

2

PROXY STATEMENT FOR

CVB FINANCIAL CORP.

701 North Haven Avenue, Suite 350

Ontario, California 91764

(909) 980-4030

This proxy statement contains information about the annual meeting of shareholders of CVB Financial Corp. to be held on Wednesday, May 21, 2008, beginning at 7:00 p.m., local time, at the Ontario Convention Center, 2000 Convention Center Way, Ontario, California 91764, and at any postponements or adjournments of the meeting. CVB Financial Corp. is also referred to as the Company in this proxy statement.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Why Did You Send Me This Proxy Statement?

We sent you this proxy statement and the enclosed proxy card because the Board of Directors is soliciting your vote at the 2008 Annual Meeting of Shareholders.

This proxy statement summarizes the information you need to know to cast an informed vote at the meeting. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card.

We will begin sending this proxy statement, notice of annual meeting and the enclosed proxy card on or about April 16, 2008 to all shareholders entitled to vote. The record date for those entitled to vote is March 24, 2008. On March 24, 2008, there were 83,541,549 shares of our common stock outstanding. Common stock is our only class of stock outstanding. We are also sending our Annual Report, including our Annual Report on Form 10-K, to shareholders for the year ended December 31, 2007 along with this proxy statement.

How Do I Vote By Proxy?

Whether you plan to attend the meeting or not, we urge you to complete, sign and date the enclosed proxy card and to return it promptly in the envelope provided. Returning the proxy card will not affect your right to attend the meeting and vote.

If you properly fill in your proxy card and send it to us in time to vote, your proxy (one of the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board of Directors as follows:

FOR the election of all eight nominees for director;

FOR the approval of the 2008 Equity Incentive Plan; and

FOR ratification of the appointment of KPMG, LLP as our independent registered public accountants for 2008.

If any other matter is presented, your proxy will vote in accordance with the recommendation of the Board of Directors, or, if no recommendation is given, in their own discretion. At the time this proxy statement went to press, we knew of no matters which needed to be acted on at the meeting, other than those discussed in this proxy statement.

How Many Votes Do I Have?

Each share of common stock entitles you to one vote. The proxy card indicates the number of shares of common stock that you own. However, in the election of directors, you are entitled to cumulate your votes if you are present at the meeting, the nominee s(s) name(s) have properly been

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placed in nomination, and a shareholder has given notice at the meeting prior to the actual voting of his intention to vote his shares cumulatively. Cumulative voting allows you to give one nominee as many votes as is equal to the number of directors to be elected, multiplied by the number of shares you own, or to distribute your votes in the same fashion between two or more nominees. The return of an executed proxy grants the Board of Directors the discretionary authority to also cumulate votes.

May I Change My Vote After I Return My Proxy Card?

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised, if you file with CVB Financial Corp. s Secretary either a notice of revocation or a duly executed proxy bearing a later date. The powers of the proxy holders will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

How Do I Vote in Person?

If you plan to attend the meeting and vote in person, we will give you a ballot form when you arrive. However, if your shares are held in the name of your broker, bank or other nominee, you must bring a legal proxy from your broker, bank or other nominee to vote the shares at the meeting.

What Vote Is Required for Each Proposal?

The eight nominees for director who receive the most votes will be elected. So, if you do not vote for a particular nominee, or you indicate **WITHHOLD AUTHORITY TO VOTE** for a particular nominee on your proxy card, your vote will not count either **FOR** or **AGAINST** the nominee. Approval of the 2008 Equity Incentive Plan and ratification of the appointment of our auditors requires the approval of a majority of the votes represented and voting at the meeting, with affirmative votes constituting at least a majority of the required quorum.

Who are Shareholders of Record Versus Beneficial Owners?

If your shares are registered directly in your name with our transfer agent, Computershare, you are considered the shareholder of record. CVB Financial Corp. has sent the notice of annual meeting, proxy statement, our Annual Report, including our Annual Report on Form 10-K, and proxy card directly to you.

2

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name. Your broker, bank or other holder of record, who is considered the shareholder of record with respect to those shares, has forwarded the notice of annual meeting, proxy statement, our Annual Report, including our Annual Report on Form 10-K, and proxy card directly to you. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the voting instruction card included in the mailing.

What Constitutes a Quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the record date will constitute a quorum, permitting the conduct of business at the meeting. Shares that are voted **FOR** , **AGAINST** or **ABSTAIN** in a matter are treated as being present at the meeting for purposes of establishing the quorum, but only shares voted **FOR** or **AGAINST** are treated as shares "represented and voting" at the Annual Meeting with respect to such matter.

How Are Broker-Non-votes and Abstentions Treated?

Proposals 2 and 3 each require for approval (i) the affirmative vote of a majority of the shares represented and voting, and (ii) the affirmative vote of a majority of the required quorum.

Broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

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If you are a beneficial owner, but have not given voting instructions to your bank, broker or other holder of record, that holder is still permitted to vote your shares on the election of directors and the ratification of KPMG, LLP as our independent registered public accounting firm. However, your bank, broker or other holder of record does not have discretionary voting with respect to the proposal to approve the 2008 Equity Incentive Plan. If you are a beneficial owner, you must provide instructions to the holder in order for the holder to vote on this proposal.

Abstentions and broker non-votes will have no effect on Proposals 2 and 3, unless there are sufficient votes in favor of each such proposal, so that the affirmative votes constitute at least a majority of the required quorum. In such cases, abstentions and broker non-votes will have the same effect as a vote against each such proposal.

What Are the Costs of Solicitation of Proxies?

We will bear the costs of this solicitation, including the expense of preparing, assembling, printing and mailing this Proxy Statement and the material used in this solicitation of proxies. The proxies will be solicited principally through the mails, but CVB Financial Corp.'s directors, officers and regular employees may solicit proxies personally or by telephone. We also anticipate using a proxy solicitor at an estimated cost of \$10,000 in connection with the

3

solicitation of proxies. Although there is no formal agreement to do so, we may reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expense in forwarding these proxy materials to their principals.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on May 21, 2008

The proxy statement, proxy card, and the Annual Report on Form 10-K for the year ended December 31, 2007, are available on our website at www.cbbank.com under the tab CVB Investors and then Investor Relations - Documents.

STOCK OWNERSHIP

Who Are the Largest Owners of CVB Financial Corp.'s Common Stock?

The following table shows the beneficial ownership of common stock as of March 24, 2008 by those persons we know to be the beneficial owners of more than 5% of the outstanding shares of common stock based on information those persons have filed with the Securities and Exchange Commission on Schedule 13G. Beneficial ownership is a technical term broadly defined by the Securities and Exchange Commission to mean more than ownership in the usual sense. So, for example, you beneficially own CVB Financial Corp.'s common stock not only if you hold it directly, but also if you indirectly, through a relationship, contract or understanding, have, or share, the power to vote the stock, to sell it or you have the right to acquire it within 60 days of March 24, 2008:

<u>Name</u>	<u>Address</u>	<u>Common Stock</u>	
		<u>Beneficially Owned Number of Shares</u>	<u>Percent of Class</u>
George A. Borba	c/o Citizens Business Bank 701 N. Haven Avenue Ontario, CA 91764	11,551,210 ⁽¹⁾	13.84%
John Vander Schaaf	c/o Citizens Business Bank	4,224,445	5.08%

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701 N. Haven Avenue

Ontario, CA 91764

⁽¹⁾ Includes 39,875 shares Mr. Borba has the right to acquire within 60 days after March 24, 2008.

4

How Much Stock Do CVB Financial Corp. s Directors and Officers Own?

The following table shows the beneficial ownership of CVB Financial Corp. s common stock as of March 24, 2008 by (i) our Chief Executive Officer and President; (ii) those serving as our executive officers in 2007 and 2008; (iii) each director, all of whom are also nominees for director and (iv) by all directors and executive officers as a group.

<u>Name</u>	<u>Common Stock</u>	
	<u>Beneficially Owned</u> <u>Number</u>	<u>Percent</u>
	<u>of Shares</u> ⁽¹⁾	<u>of Class</u> ⁽²⁾
George A. Borba ⁽³⁾	11,551,210	13.84%
Chairman of the Board and Nominee John A. Borba ⁽⁴⁾	2,169,654	2.46%
Director and Nominee Ronald O. Kruse ⁽⁵⁾	1,808,944	2.03%
Director and Nominee Robert M. Jacoby ⁽⁶⁾	12,512	*
Director and Nominee Christopher D. Myers ⁽⁷⁾	76,000	*
President, Chief Executive Officer, Director and Nominee James C. Seley ⁽⁸⁾	343,731	*
Director and Nominee San E. Vaccaro ⁽⁹⁾	576,476	*
Director and Nominee D. Linn Wiley ⁽¹⁰⁾	675,402	*
Director and Nominee Edward J. Biebrich, Jr. ⁽¹¹⁾	274,241	*
Executive Vice President and Chief Financial Officer Jay W. Coleman ⁽¹²⁾	388,629	*
Executive Vice President Edward J. Mylett, Jr. ⁽¹³⁾	22,756	*

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Executive Vice President

Chris A. Walters	10,000	*
Executive Vice President Current Directors and Executive Officers as a Group	17,909,555	21.55%

(12 persons) ⁽¹⁴⁾

* Less than 1%.

(1) Except as otherwise noted below, each person directly or indirectly has sole or shared voting and investment power (as community property and/or with such person's spouse) with respect to the shares listed.

5

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- (2) The percentage for each of these persons or group is based upon the total number of shares of CVB Financial Corp.'s common stock outstanding as of March 24, 2008, plus the shares which the respective individual or group has the right to acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (3) Includes 39,875 shares which Mr. Borba may acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (4) Includes 121,114 shares which Mr. Borba may acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (5) Includes 121,114 shares which Mr. Kruse may acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (6) Includes 5,500 shares which Mr. Jacoby may acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (7) Includes 11,000 shares which Mr. Myers can acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (8) Includes 283,039 shares which Mr. Seley may acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (9) Includes 39,875 shares which Mr. Vaccaro may acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (10) Includes 74,251 shares which Mr. Wiley may acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (11) Includes 107,233 shares which Mr. Biebrich may acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (12) Includes 25,024 shares which Mr. Coleman may acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (13) Includes 22,206 shares which Mr. Mylett may acquire within 60 days after March 24, 2008, by the exercise of stock options.
- (14) Includes 850,231 shares which members of the group may acquire within 60 days after March 24, 2008, by the exercise of stock options.

CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

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

At least a majority of independent directors;

Audit, compensation and nominating/corporate governance committees consisting solely of independent directors;

Periodic executive sessions of non-management directors;

An annual self-evaluation process for the Board and its committees;

Ethical conduct of directors;

Director access to officers and employees;

Director access to independent advisors;

Periodic review of a management succession plan; and

6

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Methodology for reporting concerns to non-employee directors or the Audit Committee.

A copy of our Corporate Governance Guidelines is available on our website at www.cbbank.com under the tab CVB Investors and then Investor Relations - Governance Documents.

Board Selection Process

We have established a Nominating and Corporate Governance Committee. This committee assists the Board in director selection, as well as review and consideration of developments in corporate governance practices. This committee also recommends to the Board director nominees for each Board committee, and reviews director candidates submitted by shareholders. The Nominating and Corporate Governance Committee is responsible for annually reviewing and evaluating with the Board the appropriate skills and characteristics required of Board members in the context of the current composition of the Board and our goals for nominees to the Board, including nominees who are current Board members. The Nominating and Corporate Governance Committee has the authority to utilize third party providers, as appropriate, to assist it in fulfilling its Board selection function.

In identifying and evaluating nominees for director, the goals of the Nominating and Corporate Governance Committee include maintaining a strong and experienced Board by continually assessing the Board's business background, current responsibilities, community involvement, independence, commitment to CVB Financial Corp. (including meaningful ownership of our common stock with a market value of at least \$100,000) and time available for service. Other important factors the Nominating and Corporate Governance Committee will consider in evaluating nominees include current knowledge and contacts in CVB Financial Corp.'s industry and other industries relevant to CVB Financial Corp.'s business, ability to work together with other Board members and ability to commit adequate time to serve as a director.

All of the current nominees were elected at the 2007 Annual Meeting of Shareholders.

Consideration of Shareholder Nominees

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

CVB Financial Corp.

701 N. Haven Avenue, Suite 350

Ontario, California 91764

Shareholders should include in such recommendation, (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of

7

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

In addition, our Bylaws permit shareholders to nominate directors for consideration at an annual meeting. For a description of the process, see the Notice of 2008 Annual Meeting of Shareholders included herein.

Executive Sessions

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

Attendance at Annual Meetings

The Board encourages all of its members to attend the Annual Meeting of Shareholders. All of our then serving directors attended the 2007 Annual Meeting of Shareholders.

Communications with the Board

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

Board of Directors

CVB Financial Corp.

701 North Haven Avenue, Suite 350

Ontario, California 91764

Confidential communications may be sent through the internet by logging on to <http://www.reportit.net> and entering the username: Citizens and the password: Citizens. All communications sent to the Board of Directors will be communicated with the entire Board of Directors unless the Chairman of the Board reasonably believes communication with the entire Board of Directors is not appropriate or necessary or the communication is intended only for a specific committee. Shareholders wishing to communicate solely with non-management directors, or confidentially, may do so by writing to the foregoing address at Confidential Corporate Solutions, and sending their communication to the attention of the Nominating and Corporate Governance Committee. CVB Financial Corp.'s Corporate Secretary keeps a log of all communications sent to the Board of Directors or its committees. This log is available for inspection by the members of the Board of Directors.

DISCUSSION OF PROPOSALS RECOMMENDED BY THE BOARD

PROPOSAL 1

ELECTION OF DIRECTORS

We have nominated eight directors for election at the annual meeting, which is the number fixed for the election of directors.

We will nominate the persons named below, all of whom are present members of CVB Financial Corp.'s Board of Directors, for election to serve until the 2009 Annual Meeting of Shareholders and until their successors have been elected and qualified. Each of these persons is also a member of the Board of Directors of our principal subsidiary, Citizens Business Bank. With the exception of Mr. Wiley and Mr. Myers each of these directors is independent within the meaning of the rules and regulations promulgated by the Nasdaq Stock Market and has been determined to be independent by our Nominating and Corporate Governance Committee. The Board will cast its votes to effect the election of these nominees. If any nominee is unable to serve, your proxy may vote for another nominee proposed by the Board.

The Nominees

The directors standing for reelection are:

**Year First Elected
or Appointed**

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<u>Name and Position</u>	<u>Principal Occupation</u>	<u>For Past Five Years</u>	<u>Age</u>	<u>a Director</u>
George A. Borba ⁽¹⁾ Chairman of the Board	Dairy Farmer, George Borba & Son Dairy		75	1981
John A. Borba ⁽¹⁾ Director	Dairy Farmer, John Borba & Sons		80	1981
Robert M. Jacoby, C.P.A. Director	Certified Public Accountant		66	2005
Ronald O. Kruse Vice Chairman of the Board and Director	Chairman, Kruse Investment Co., Inc. and Feed Commodities, LLC		69	1981
Christopher D. Myers President, Chief Executive Officer and Director	Former Chairman and Chief Executive Officer of Mellon First Business Bank		45	2006
James C. Seley Director	Partner, Seley & Co. (commodity merchant)		66	1996
San E. Vaccaro Director	Attorney		75	1999

10

D. Linn Wiley Vice Chairman of the Board and Director	President and Chief Executive Officer, CVB69 Financial Corp. and Citizens Business Bank until August 1, 2006	1991
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(1) George A. Borba and John A. Borba are brothers.

Biographical information about all of our executive officers is contained under Item 4A of our Annual Report on Form 10-K, a copy of which is being mailed with this proxy statement and which is available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

The Board of Directors and Committees

The Board of Directors oversees our business and affairs. The Board also has three standing committees: an Audit Committee, a Nominating and Corporate Governance Committee, and a Compensation Committee.

The Number of Meetings Attended

During 2007, CVB Financial Corp.'s Board of Directors held 13 meetings, and the Board of Directors of Citizens Business Bank held 15 meetings. All of the directors of CVB Financial Corp. and Citizens Business Bank during 2007 attended at least 75% of the aggregate of (i) the total number of CVB Financial Corp. and Citizens Business Bank Board meetings and (ii) the total number of meetings held by all committees of the Board of Directors of CVB Financial Corp. or Citizens Business Bank on which he served during 2007.

Audit Committee

The Audit Committee of the Board is composed of Messrs. John Borba (Chairman), Robert Jacoby, Ronald Kruse, James Seley, and San Vaccaro. The Audit Committee operates under a written charter, adopted by the Board of Directors, which is available on our website at www.cbcbank.com under the tab CVB Investors and then Investor Relations - Governance Documents. The Audit Committee is a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. Each of the members of the Audit Committee is independent within the meaning of the rules and regulations of the Nasdaq Stock Market.

The purpose of the Audit Committee is to oversee and monitor (i) the integrity of our financial statements and its systems of internal accounting and financial controls; (ii) our compliance with applicable legal and regulatory requirements; (iii) our independent auditor qualifications and independence; and (iv) the performance of our internal audit function and independent auditors. The Board of Directors has determined that Mr. Jacoby and Mr. Vaccaro are audit committee financial experts within the meaning of the rules and regulations of the Securities and Exchange Commission.

The Audit Committee has sole authority to appoint or replace the independent auditors (including oversight of audit partner rotation). The Audit Committee is also directly responsible for the compensation and oversight of the work of the independent auditors. Our independent auditors report directly to the Audit Committee. Among other things, the Audit Committee prepares the audit committee report for inclusion in the annual proxy statement, reviews and discusses with management and the independent auditor our independent certified audits; reviews and discusses with management and the independent auditor quarterly and annual financial statements; reviews the adequacy and effectiveness of our disclosure controls and procedures; approves all auditing and permitted non-auditing services; reviews significant findings by bank regulators and management's response thereto; establishes procedures to anonymously and confidentially handle complaints we receive regarding auditing matters and accounting and internal accounting controls; and handles the confidential, anonymous submission to it by our employees of concerns regarding questions to accounting or auditing matters. The Audit Committee also has authority to retain independent legal, accounting and other advisors as the Audit Committee deems necessary or appropriate to carry out its duties. The Audit Committee held 12 meetings during 2007, plus 7 special meetings for the purpose of reviewing Securities and Exchange Commission filings and selecting a new auditing firm.

The report of the Audit Committee is included below.

Audit Committee Report

The following Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any of our other filings under the Securities Act of 1933 or under the Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate this Report by reference.

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

In discharging its oversight responsibility, the Audit Committee has met and held discussions with management and KPMG, LLP, the independent auditors for CVB Financial Corp., regarding the audited consolidated financial statements. Management represented to the Audit Committee that the consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The Audit Committee discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61 (*Communications with Audit Committees*).

The Audit Committee also obtained from the independent auditors a formal written statement describing all relationships between CVB Financial Corp. and the auditors that bear on the auditors' independence consistent with Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committee*. The Audit Committee discussed with the

independent auditors any relationships that may impact on the firm's objectivity and independence and satisfied itself as to the auditors' independence.

Based on these discussions and reviews, the Audit Committee recommended that the Board of Directors approve the inclusion of CVB Financial Corp.'s audited consolidated financial statements in the Annual Report on Form 10-K for the year ended December 31, 2007, for filing with the Securities and Exchange Commission.

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

Dated: March 24, 2008

THE AUDIT COMMITTEE

JOHN A. BORBA, Chairman

ROBERT M. JACOBY, C.P.A.

RONALD O. KRUSE

JAMES C. SELEY

SAN E. VACCARO

Nominating and Corporate Governance Committee

The Board of Directors has a Nominating and Corporate Governance Committee consisting of Messrs. George Borba (Chairman), John Borba, Robert Jacoby, Ronald Kruse, James Seley, and San Vaccaro. Each of the members of the Nominating and Corporate Governance Committee is independent within the meanings of the rules and regulations of the Nasdaq Stock Market.

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

assists the Board by identifying individuals qualified to become Board members;

recommends to the Board the director nominees for the next annual meeting;

recommends to the Board director nominees for each committee; and

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

Other specific duties and responsibilities of the Nominating and Corporate Governance Committee include: retaining and terminating any search firm to identify director candidates; receiving communications from shareholders regarding any matters of concern; recommend to the Board directors for each committee; and reviewing and reassessing the adequacy of its charter and its own performance on an annual basis. The procedures for nominating directors, other than by the Board of Directors itself, are set forth in the bylaws and reprinted in the Notice of Annual Meeting of Shareholders. The Charter of the Nominating and Corporate Governance Committee is available on our website at www.cbbank.com under the tab CVB Investors and then Investor Relations - Governance Documents. The Nominating and Corporate Governance Committee held one meeting during 2007.

Compensation Committee

The Compensation Committee of the Board of Directors of CVB Financial Corp. (the Compensation Committee) has overall responsibility for overseeing our compensation and employee benefit plans and practices, including its executive compensation plans and its incentive compensation and equity-based plans. This committee is composed of Messrs. George Borba (Chairman), John Borba, Robert Jacoby, Ronald Kruse, James Seley, and San Vaccaro. Each of the members of the Compensation Committee is independent within the meaning of the rules and regulations of the Nasdaq Stock Market. During the year, meetings are scheduled quarterly, but are held at other times as needed. During 2007, the Compensation Committee met 13 times. The meetings are set up by the Corporate Secretary in conjunction with the Chairman of the Compensation Committee. The Chief Executive Officer and the Chief Financial Officer provide input on the agendas.

The Compensation Committee has a charter, which can be found on CVB Financial Corp.'s website www.cbbank.com, under the tab CVB Investors and then Investor Relations - Governance Documents. This charter is reviewed annually with input from our outside