SemiLEDs Corp
Form DEF 14A
December 22, 2011

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

SCHEDULE 14A

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

Filed by the Registrant 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 §240.14a-12

SEMILEDS CORPORATION
(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.

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(1)	Title of each class of securities to which transaction applies:
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o Fee paid previously with preliminary materials.

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(1)	Amount Previously Paid:
(2)	Form, Schedule or Registration Statement No.:
(3)	Filing Party:
(4)	Date Filed:

SemiLEDs Corporation
3F, No. 11 Ke Jung Rd., Chu-Nan Site
Hsinchu Science Park, Chu-Nan 350
Miao-Li County, Taiwan, R.O.C.
+886-37-586788

December 22, 2011

Dear Stockholder:

I am pleased to invite you to attend the 2012 Annual Meeting of Stockholders of SemiLEDs Corporation, our first meeting as a public company. The meeting will be held on Monday, February 6, 2012 at 10 a.m. local time at the Sheraton Hsinchu Hotel, which is located at No. 265, Dong Sec 1, Guangming 6th Rd., Zhubei City, Hsinchu County, Taiwan.

We are furnishing our proxy materials to stockholders primarily over the Internet. This process expedites stockholders receipt of proxy materials, while significantly lowering the costs of our annual meeting and conserving natural resources. On December 22, 2011, we mailed to our stockholders a notice containing instructions on how to access our Proxy Statement and 2011 Annual Report to Stockholders and to vote online. The notice also included instructions on how you can receive a paper copy of your annual meeting materials. If you received your annual meeting materials by mail, the Proxy Statement, 2011 Annual Report to Stockholders and proxy card were enclosed.

At this year s annual meeting, the agenda includes the following items:

Agenda Item	**Board Recommendation**
Election of directors	**FOR**
Advisory vote on executive compensation	**FOR**
Advisory vote on the frequency of holding future advisory votes on executive compensation	**3 Years**
Ratification of the appointment of KPMG (Taiwan) as our independent registered public accounting firm	**FOR**

Details regarding the meeting and the business to be conducted are more fully described in the accompanying Notice of 2012 Annual Meeting of Stockholders and Proxy Statement.

Your vote is important. Whether or not you plan to attend the annual meeting, I hope you will vote as soon as possible. You may vote over the Internet or in person at the annual meeting or, if you receive your proxy materials by U.S. mail, you also may vote by mailing a proxy card or voting by telephone. Please review the instructions on the notice or on the proxy card regarding your voting options. Only stockholders showing proof of ownership on the record date will be allowed to attend the meeting in person.

Sincerely yours,

Trung T. Doan
Chairman of the Board and
Chief Executive Officer

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Hsinchu Science Park, Chu-Nan 350
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NOTICE OF 2012 ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE 10 a.m. local time on Monday, February 6, 2012

PLACE Sheraton Hsinchu Hotel, No. 265, Dong Sec 1, Guangming 6th Rd., Zhubei City, Hsinchu County, Taiwan.

AGENDA

- Elect the four director nominees named in the Proxy Statement
- Hold an advisory vote on executive compensation
- Hold an advisory vote on the frequency of holding future advisory votes on executive compensation
- Ratify the appointment of KPMG (Taiwan) as our independent registered public accounting firm
- Transact such other business as may properly come before the annual meeting (including adjournments and postponements)

RECORD DATE December 12, 2011

VOTING Please vote as soon as possible to record your vote, even if you plan to attend the annual meeting. Your broker will NOT be able to vote your shares with respect to the election of directors and most of the other matters presented at the meeting, unless you have given your broker specific instructions to do so. We strongly encourage you to vote. You have three options for submitting your vote before the annual meeting:

- Internet
- Phone
- Mail

By Order of the Board of Directors,

Dr. Anh Chuong Tran
Corporate Secretary

Chu-Nan, Taiwan
December 22, 2011

INTERNET AVAILABILITY OF PROXY MATERIALS

We are furnishing proxy materials to our stockholders primarily via the Internet. On December 22, 2011, we mailed most of our stockholders on the record date a Notice Regarding the Availability of Proxy Materials (Notice of Internet Availability) containing instructions on how to access and review all of the important information contained in our proxy materials, including our Proxy Statement and our 2011 Annual Report to Stockholders. The Notice of Internet Availability also instructs you on how to vote via the Internet. Other stockholders, in accordance with their prior requests, have been mailed paper copies of our proxy materials and a proxy card or voting form.

Internet distribution of our proxy materials is designed to expedite receipt by stockholders, lower the cost of the annual meeting, and conserve natural resources. However, if you would prefer to receive paper copies of proxy materials, please follow the instructions included in the Notice of Internet Availability.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on February 6, 2012:
The Notice of the 2012 Annual Meeting, the Proxy Statement and the 2011 Annual Report to Stockholders are available at *www.proxyvote.com.*

ATTENDING THE ANNUAL MEETING

- Doors open at 9:30 a.m. local time
- Meeting starts at 10:00 a.m. local time
- Proof of SemiLEDs Corporation stock ownership and photo identification will be required to attend the annual meeting
- You do not need to attend the annual meeting to vote if you submitted your proxy in advance of the annual meeting

QUESTIONS

For questions regarding	**Contact:**
Annual meeting	Investor Relations investor@semileds.com (212) 766-1800 Ext. #204
Stock ownership for registered holders	American Stock Transfer & Trust Company, LLC 1218 Third Avenue, Suite 1700 Seattle, Washington 98101 (206) 602-0811
Stock ownership for beneficial holders	Please contact your broker, bank, or other nominee.

SemiLEDs Corporation
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PROXY STATEMENT

Our Board of Directors (the Board) solicits your proxy for the 2012 Annual Meeting of Stockholders and any postponement or adjournment of the meeting for the matters set forth in Notice of 2012 Annual Meeting of Stockholders. The annual meeting will be held at 10:00 a.m. local time on Monday, February 6, 2012 at the Sheraton Hsinchu Hotel, which is located at No. 265, Dong Sec 1, Guangming 6th Rd., Zhubei City, Hsinchu County, Taiwan. We made this Proxy Statement available to stockholders beginning on December 22, 2011.

Record Date	December 12, 2011
Quorum	Holders of a majority of the voting power of all issued and outstanding shares on the record date must be present in person or represented by proxy
Shares Outstanding	27,315,349 shares of common stock outstanding as of December 12, 2011
Voting by Proxy	Internet, telephone, or mail
Voting at the Meeting	We encourage stockholders to vote in advance of the annual meeting, even if they plan to attend the meeting. In order to be counted, proxies submitted by Internet or telephone must be received by 11:59 p.m. Eastern Standard Time on February 4, 2011. Stockholders can vote in person during the meeting. Stockholders of record who attend the annual meeting in person may obtain a ballot. Beneficial holders who attend the annual meeting in person must obtain a proxy from their broker, bank, or other nominee prior to the date of the annual meeting and present it with their ballot. Voting in person by a stockholder during the meeting will replace any previous votes.
Changing Your Vote	Stockholders of record may revoke their proxy at any time before the polls close by submitting a later-dated vote in person at the annual meeting, by delivering instructions to our Corporate Secretary before the annual meeting or by voting again using the Internet or telephone before the cut-off time. (Your latest Internet or telephone proxy is the one that will be counted.) If you hold shares through a broker, bank, or other nominee, you may revoke any prior voting instructions by contacting that firm.

Votes Required to Adopt Proposals	Each share of our common stock outstanding on the record date is entitled to one vote on each of the four director nominees and one vote on each other matter. The election of directors and the determination of the frequency of holding future advisory votes on executive compensation is determined by the plurality of votes. Approval of each of the other matters on the agenda is determined by a majority of votes cast affirmatively or negatively.
Effect of Abstentions and Broker Non-Votes	Shares voting withhold have no effect on the election of directors. For each of the other proposals, abstentions have the same effect as negative votes. Broker non-votes (shares held by brokers that do not have discretionary authority to vote on a matter and have not received voting instructions from their clients) have no effect. If you are a beneficial holder and do not provide

specific voting instructions to your broker, the organization that holds your shares will not be authorized to vote on most items being put to a vote, including the election of directors. Accordingly, we encourage you to vote promptly, even if you plan to attend the annual meeting.

Voting Instructions

If you complete and submit your proxy voting instructions, the persons named as proxies will follow your instructions. If you are a stockholder of record and you submit proxy voting instructions but do not direct how to vote on each item, the persons named as proxies will vote as the Board recommends on each proposal. The persons named as proxies will vote on any other matters properly presented at the annual meeting in accordance with their best judgment. Our Bylaws set forth requirements for advance notice of nominations and agenda items for the annual meeting, and we have not received timely notice of any such matters that may be properly presented for voting at the annual meeting, other than the items from the Board described in this Proxy Statement.

Voting Results

We will announce preliminary results at the annual meeting. We will report final results in a filing with the U.S. Securities and Exchange Commission (SEC) on Form 8-K.

PROPOSAL 1: ELECTION OF DIRECTORS

Upon the recommendation of our Nominating and Corporate Governance Committee, our Board has nominated the four persons listed below to serve as directors. Each director s term runs from the date of his election until our next annual stockholders meeting, or until his successor is elected or appointed. If any director nominee is unable or unwilling to serve as a nominee at the time of the annual meeting, the persons named as proxies may vote for a substitute nominee chosen by the present Board to fill the vacancy. We have no reason to believe that any of the nominees will be unwilling or unable to serve if elected as a director.

Board Composition

Our Nominating and Corporate Governance Committee is charged with identifying and evaluating individuals qualified to serve as members of the Board and recommending to the full Board nominees for election as directors. We seek directors with experience in areas relevant to the strategy and operations of the Company. We seek a Board that collectively has a range and diversity of skill, experience, age, industry knowledge and other factors in the context of the needs of the Board. The biographies of each of the nominees below contains information regarding the person s service as a director, business experience, director positions held currently or at any time during the last five years and the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee to determine that the person should serve as a director of our Company. In addition to the information presented below regarding each director s specific experience, qualifications, attributes and skills that led our Nominating and Corporate Governance Committee and Board to the conclusion that he should serve as a director, we also believe that each of our directors has a reputation for integrity, honesty and adherence to high ethical standards. Each of our directors has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to our Company and our Board. Each of our director nominees is currently serving on the Board.

Our nominees for election as directors at the annual meeting include our Chief Executive Officer (CEO) and our President and Chief Operating Officer (COO) and two independent directors, as defined in the applicable rules for companies traded on The NASDAQ Global Select Market (NASDAQ), Dr. Jack Lau and Scott R. Simplot. See Corporate Governance Director Independence below.

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE FOLLOWING NOMINEES.

Nominees

Trung T. Doan, 53, has served as a director, Chairman of our Board and our CEO since January 2005. Prior to joining us, Mr. Doan served as Corporate Vice President of Applied Global Services (AGS) Product Group at Applied Materials, Inc. and also served as President and Chief Executive Officer of Jusung Engineering, Inc., a semiconductor/LCD equipment company in Korea. In addition, Mr. Doan served as Vice President of Process Development at Micron Technology Inc. Mr. Doan currently serves on the board of directors of Advanced Energy Industries, a publicly traded manufacturer of power conversion and control systems. Mr. Doan has also served as a director of Dolsoft Corporation, a privately held software company, within the past five years. Previously, Mr. Doan served as a director of Nu Tool Inc., a semiconductor technology company, and as a director of EMCO, a publicly traded manufacturer of advanced flow control devices and systems. Mr. Doan holds a bachelor of science degree in nuclear engineering from the University of California, Santa Barbara, where he graduated with honors, and a masters of science degree in chemical engineering from the University of California, Santa Barbara. Our Board has determined that Mr. Doan should serve on our Board and as our Chairman based on his in-depth knowledge of our business and industry and his experience serving on the boards of directors of several major technology companies, as well as in management roles in the technology industry.

Dr. Anh Chuong Tran, 49, has served as our President, COO and director since January 2005. Dr. Tran served as Vice President at Highlink Technology Corporation from November 2000 to November 2004 and a senior staff scientist at Emcore Corporation from 1995 to February 2000. Dr. Tran holds a bachelor of science degree in physics from the Czech Technical University, Prague, and a doctor of philosophy degree in physics from the University of Montreal. Our Board has determined that Dr. Tran should serve as our President, COO and director based on his in-

depth knowledge of our business and industry and experience in operational management roles in the technology industry.

Dr. Jack Lau, 44, has served as a director since October 2010. Dr. Lau has been Chairman, Chief Executive Officer and director of Perception Digital Holdings Limited, a company that provides multimedia technology solutions which he co-founded, since January 1999. He is currently an Adjunct Professor at the Hong Kong University of Science and Technology. Prior to co-founding Perception, Dr. Lau was a Visiting Scholar at the Center for Integrated Systems at Stanford University from 1995 to 1996. From 1996 to 1998, he was an Assistant Professor at the Hong Kong University of Science and Technology in the Department of Electronic and Computer Engineering. Between 1988 and 1991, Dr. Lau worked at Hewlett-Packard Development Company L.P., Schlumberger Limited and Integrated Information Technology, Inc. Between 1997 and 2000, Dr. Lau served on the board of directors of Orient Power Holding Limited and Yue Fung Development Co., Ltd. in Hong Kong. Dr. Lau holds a bachelor s and master s degrees in Electrical Engineering from the University of California at Berkeley. He holds a doctor of philosophy degree and executive master of business administration degree from the Hong Kong University of Science and Technology. Our Board has determined that Dr. Lau should serve as a director based on his engineering background and his experience serving on the boards of directors of various private and public companies.

Scott R. Simplot, 65, has served as a director since March 2005. Mr. Simplot has been Chairman of the board of directors and a director of J.R. Simplot Company since May 2001 and August 1970, respectively. Mr. Simplot holds a bachelor of science degree in business from the University of Idaho and a masters in business administration from the University of Pennsylvania. Mr. Simplot became a director on our Board as part of his duties as the Chairman of the board of J.R. Simplot Company, the 100% owner of Simplot Taiwan, Inc., which was entitled to designate two members of our board of directors in connection with J.R. Simplot Company s investment in our Series A convertible preferred stock. Our Board has determined that Mr. Simplot should serve as a director based on the extensive knowledge and insight he brings to our Board from his experience serving as Chairman and holding a variety of management positions at a large private company and serving on the boards of directors of companies in a variety of industries.

Executive Officers

In addition to Mr. Doan, our CEO, and Dr. Tran, our COO, who also serve as directors, our executive officers as of December 12, 2011 consisted of the following:

David Young, 47, has served as our Chief Financial Officer since March 2008. Prior to joining us, Mr. Young served as Vice President, Sourcing Administration, of Payless ShoeSource International Ltd. from October 2005 to February 2008, co-founder and Executive Vice President of Tera Xtal Technology Corporation, Chief Financial Officer of Sparkice.com Inc. and Chief Financial Officer of Young Brothers Development Co., Ltd. from 1996 to 1999. Mr. Young also served as audit manager at Arthur Andersen from 1993 to 1995 and as audit manager and audit senior at Ernst & Young from 1987 to 1993. Mr. Young holds a bachelor of arts degree in economics and business from the University of California, Los Angeles.

Yingku Adam Lin, 38, has served as our General Counsel and Vice President of Business Development since May 2011. Prior to joining us, Mr. Lin was a partner with Virtual Law Partners LLP from July 2009 to May 2011 and an associate with Orrick, Herrington & Sutcliffe LLP from February 2006 to July 2009. Mr. Lin holds a bachelor of science degree in civil and environmental engineering from the University of California, Berkeley, a masters of science degree in civil and environmental engineering from Stanford University and a juris doctor degree from the University of California, Hastings College of the Law.

CORPORATE GOVERNANCE

Board Responsibilities and Structure

The Board oversees, counsels, and directs management in the long-term interests of the Company and our stockholders. The Board s responsibilities include:

- selecting, evaluating the performance of, and determining the compensation of the CEO and other executive officers;
- overseeing the risks that the Company faces;
- reviewing and approving our major financial objectives and strategic and operating plans, and other significant actions;
- overseeing the conduct of our business and the assessment of our business and other enterprise risks to evaluate whether the business is being properly managed; and
- overseeing the processes for maintaining our integrity with regard to our financial statements and other public disclosures, and compliance with law and ethics.

The Board and its committees met throughout the year on a set schedule, held special meetings, and acted by written consent from time to time as appropriate. During fiscal year 2011, the Board held three sessions for the independent directors to meet without the CEO or COO present.

Our Bylaws do not dictate a particular Board structure and the Board is free to determine whether or not to have a Chairman and, if so, to select that Chairman and our CEO in the manner it considers our best interest. Currently, the Board has selected Mr. Doan to hold the position of both Chairman of the Board and CEO. Mr. Doan s experience at the Company has afforded him intimate knowledge of the issues, challenges and opportunities facing each of the Company s businesses. Accordingly, he is well positioned to focus the Board s attention on the most pressing issues facing the Company. The Board has not appointed a lead independent director. The Board believes its administration of its risk oversight function has not affected the Board s leadership structure.

Director Independence

The published listing requirements of NASDAQ dictate that a majority of the Board be comprised of independent directors whom our Board has determined have no material relationship with our Company and who are otherwise independent directors under those listing requirements. Our current Board consists of seven persons, the four nominees listed above, and three others not standing for reelection Richard P. Beck, Richard S. Hill and Mark Johnson and whose terms will therefore end at the Annual Meeting. The Board has determined that each of our current directors, other than Mr. Doan, our CEO, and Dr. Tran, our President and COO, qualifies as an independent director, such that five out of the current seven directors more than a majority are independent directors under the NASDAQ rules.

The NASDAQ rules have objective tests and a subjective test for determining who is an independent director. Under the objective tests, a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the company;

- the director or a family member of the director accepted any compensation from the company in excess of $120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);

- a family member of the director is, or at any time during the past three years was, an executive officer of the company;

- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceeded 5% of the recipient s consolidated gross revenue for that year or $200,000, whichever was greater (subject to certain exclusions);

- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or

- the director or a family member of the director is a current partner of the company s outside auditor, or at any time during the past three years was a partner or employee of the company s outside auditor, and who worked on the company s audit.

The subjective test states that an independent director must be a person who lacks a relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has not established categorical standards or guidelines to make these subjective determinations but considers all relevant facts and circumstances.

In addition to the Board-level standards for director independence, the NASDAQ rules provide that directors, of whom there must be three, who serve on the Audit Committee must each satisfy standards established by the SEC that require that members of audit committees must not be affiliated persons of the issuer and may not accept directly or indirectly any consulting, advisory, or other compensatory fee from the issuer other than their director compensation.

Transactions Considered in Independence Determinations

In making its independence determinations, the Board considered transactions that occurred since the beginning of fiscal year 2009 between the Company and entities associated with the independent directors or members of their immediate family. All identified transactions that appeared to relate to the Company and a family member of, or entity with a known connection to, a director were presented to the Board for consideration.

None of the non-employee directors was disqualified from independent status under the objective tests. In making its subjective determination that each of our Company s non-employee director is independent, the Board reviewed and discussed additional information provided by the directors and the Company with regard to each director s business and personal activities as they may relate to the Company and the Company s management. The Board considered the transactions in the context of the NASDAQ objective standards, the special standards established by the SEC for members of audit committees, and the SEC and U.S. Internal Revenue Service (IRS) standards for compensation committee members. Based on all of the foregoing, as required by the NASDAQ rules, the Board made a subjective determination that, because of the nature of the director s relationship with the entity and/or the amount involved, no relationships exist that, in the opinion of the Board, would impair the director s independence. The independence determination included reviewing transactions between the Company and the J.R. Simplot Company of the purchase of an immaterial amount of lighting fixtures in 2010, which purchases were determined to be not inconsistent with a determination that Mr. Simplot is independent.

Additional Directors

If all four directors are elected, two directors will meet the independence test under the NASDAQ rules less than the required majority. Management and the Nominating and Corporate Governance Committee are seeking additional qualified director candidates who meet the independence test under the NASDAQ rules, including particularly candidates who satisfy standards established by the SEC to qualify as independent for purposes of membership on the Audit Committee. If the Company is successful in identifying such candidates, the directors elected at the Annual Meeting could immediately thereafter consider appointing one or more of these director candidates to the Board and therefore be able to promptly reestablish compliance with the published listing requirements of NASDAQ that a majority of the Board be independent.

Board Committees and Charters

The Board delegates various responsibilities and authority to different Board committees. Committees regularly report on their activities and actions to the full Board. The Board currently has, and appoints the members of, a standing Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. Each of the Board committees has a written charter approved by the Board, and we post each charter on our web site at *http://investors.semileds.com/governance.cfm*. Each committee can engage outside experts, advisors and counsel to assist the committee in its work. The following table identifies the current committee members.

Name	Audit	Compensation	Nominating and Corporate Governance
Richard P. Beck	Chair		Chair
Richard S. Hill	P	Chair	
Mark Johnson	P	P	P
Dr. Jack Lau		P	P
Number of Committee Meetings Held in Fiscal Year 2011	5	6	2

Audit Committee

Our Audit Committee is responsible for, among other things:

- reviewing and approving the selection of our independent auditors, and approving the audit and non-audit services to be performed by our independent auditors;

- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;

- reviewing the adequacy and effectiveness of our internal control policies and procedures;

- discussing the scope and results of the audit with the independent auditors and reviewing with management and the independent auditors our interim and year-end operating results; and

- preparing the Audit Committee Report that the SEC requires in our annual proxy statement.

The Board believes that each current member of our Audit Committee is an independent director under the NASDAQ rules and meets the additional SEC independence requirements for audit committee members. It has also determined that Mr. Beck meets the requirements of an audit committee financial expert, as defined in Regulation S-K and that each of the two current other Audit Committee members meets the financial statement literacy requirements of the NASDAQ rules. The terms of each of the Audit Committee members will end at the Annual Meeting. As described above, the NASDAQ rules require that each listed company have an audit committee comprised of three directors, each of whom must be independent under the NASDAQ rules and meet additional SEC standards. Dr. Jack Lau is currently the only nominee who satisfies the additional SEC independence requirements for audit committee members. In seeking additional director candidates, management and the Nominating and Corporate Governance Committee are particularly emphasizing candidates that meet the additional SEC independence requirements for audit committee members, that are financially literate and, although not required under the NASDAQ rules, at least one candidate that qualifies as an audit committee financial expert. Identifying sufficient candidates meeting these requirements and appointing them to the Board and the Audit Committee

immediately after the Annual Meeting would enable the Company to promptly reestablish compliance with requirements for Audit Committee composition under the NASDAQ rules.

Compensation Committee

Our Compensation Committee is responsible for, among other things:

- overseeing our compensation policies, plans and benefit programs;

- reviewing and approving for our executive officers: the annual base salary, the annual incentive bonus, including the specific goals and amount, equity compensation, employment agreements, severance arrangements and change in control arrangements, and any other benefits, compensation or arrangements;

- preparing the compensation committee report that the SEC requires to be included in our annual proxy statement;

- reviewing and determining our equity-based compensation plans; and

- administering our equity-based compensation plans.

Although the Compensation Committee has the authority to determine the compensation paid to executive officers, other officers, employees, consultants and advisors, it can delegate its responsibility for setting compensation for individuals other than the CEO, to a subcommittee, in the case of other officers, or to officers, in the case of employees and consultants. It may also delegate to officers the authority to grant options or other equity or equity-based awards to employees who are not executive officers or members of the Board. It may also generally take into account the recommendations of the CEO, other than with respect to his own compensation. As further described under Compensation of the Named Executive Officers and Directors Compensation Discussion and Analysis below, the Compensation Committee has engaged Mercer, an independent compensation consultant, to assist it in various respects.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is responsible for, among other things:

- identifying prospective director nominees and recommending nominees for each annual meeting of stockholders to the Board;

- reviewing developments in corporate governance practices and developing and recommending governance principles applicable to our Board;

- overseeing the evaluation of our Board and management; and

- recommending members for each Board committee to our Board.

As a newly public company, our Nominating and Corporate Governance Committee is refining its process in respect of director candidate identification. It has not established any minimum qualifications for directors although in assessing the skills and characteristics of individual members, it must give due regard for independence and financial literacy considerations dictated by the NASDAQ rules. The Nominating and Corporate Governance Committee does not at this time have a policy regarding its consideration of director candidates recommended by stockholders, as it has not yet received any such recommendations. It may adopt a policy if such recommendations are received.

Attendance at Board, Committee and Annual Stockholders Meetings

The Board held 14 meetings in fiscal year 2011. We expect each director to attend every meeting of the Board and the committees on which he or she serves, and encourage them to attend the annual stockholders meeting. All directors attended at least 75% of the aggregate meetings of the Board and the committees on which they served in fiscal year 2011. This annual meeting will be our first annual meeting as a public company.

Risk Management

The Board is involved in the oversight of risks that could affect the Company. This oversight is conducted primarily through the Audit Committee which, on behalf of the Board, is charged with overseeing the principal risk exposures we face and our mitigation efforts in respect of these risks. The committee is responsible for interfacing with management and discussing with management the Company s principal risk exposures and the steps management has taken to monitor and control risk exposures, including risk assessment and risk management policies. The Compensation Committee also plays a role in that it is charged, in overseeing the Company s overall compensation structure, with assessing whether that compensation structure creates risks that are reasonably likely to have a material adverse effect on us.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. These standards are designed to deter wrongdoing and to promote honest and ethical conduct. The Code of Business Conduct and Ethics is available our website at *http://investors.semileds.com/governance.cfm*. Any amendments to the Code, or any waivers of its requirements required to be disclosed pursuant to SEC or NASDAQ requirements, will be disclosed on the website.

Communications from Stockholders and Other Interested Parties to Directors

The Board recommends that stockholders and other interested parties initiate communications with the Board, any committee of the Board or any individual director in writing to the attention of our Corporate Secretary at our principal executive offices at 3F, No. 11 Ke Jung Rd., Chu-Nan Site, Hsinchu Science Park, Chu-Nan 350, Miao-Li County, Taiwan, R.O.C. This process will assist the Board in reviewing and responding to stockholder communications in an appropriate manner. The Board has instructed our Corporate Secretary to review such correspondence and, at his discretion, not to forward items if he deems them to be of a commercial or frivolous nature or otherwise inappropriate for the Board s consideration.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship exists between our Board or Compensation Committee and the board of directors or compensation committee of any other entity, nor has any interlocking relationship existed in the past.

PROPOSAL 2: ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Background to the Advisory Vote

Under an amendment to the Securities Exchange Act of 1934, as amended (the Exchange Act), adopted by Congress as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), stockholders are able to vote to approve, on an advisory (non-binding) basis no less frequently than once every three calendar years, the compensation of the named executive officers (a a say-on-pay vote).

Reason for the Board Recommendation

As described below in the Compensation Discussion and Analysis section of this Proxy Statement, we have structured our executive compensation program to reward our executive officers with compensation that is affordable and sufficient to retain such officers while concurrently aligning the officers interests with the achievement of our financial and business goals as well as the goals of our stockholders.

Our current compensation programs consist primarily of salary and long-term equity incentives for our executive officers that are designed to support our business goals and promote short- and long-term profitable growth. Our equity incentive plan is intended to align the interests of our employees, including our named executive officers, with the interests of our stockholders and to provide our employees an incentive to support our long-term success and growth.

We urge stockholders to read the discussion in the Compensation Discussion and Analysis section of this Proxy Statement, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative discussion that follows, which provide detailed information on the compensation of our named executive officers. Our Compensation Committee and Board believe that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the compensation of our named executive officers reported in this Proxy Statement will support and contribute to the Company s success.

Based on the above, we request that you indicate your support for our executive compensation philosophy and practices, by voting in favor of the following resolution:

RESOLVED, that the compensation paid to the Company s named executive officers as disclosed pursuant to Item 402 of Regulation S-K in this Proxy Statement, including the Compensation Discussion and Analysis, the compensation tables and narrative discussion, is hereby approved.

The opportunity to vote on Proposal 2 is required pursuant to Section 14A of the Exchange Act. However, as an advisory vote, the vote on Proposal 2 is not binding upon us. Nonetheless, the Compensation Committee, which is responsible for designing and administering our executive compensation program, and the Board value the opinions expressed by stockholders, and will consider the outcome of the vote when

making future compensation decisions for our named executive officers.

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DESCRIBED IN THIS PROXY STATEMENT.

PROPOSAL 3: ADVISORY VOTE ON THE FREQUENCY OF HOLDING FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

Background to the Advisory Vote

Under an additional amendment to the Exchange Act adopted by Congress as part of the Dodd-Frank Act, stockholders are also able to vote to indicate on an advisory (non-binding) basis no less frequently than once every six calendar years how frequently they believe a say-on-pay vote, such as we have included in Proposal 2, should occur. By voting on this Proposal 3, you may indicate whether you would prefer that we hold a say-on-pay vote every one, two or three years. It is our belief, and the Board s recommendation, that this vote should occur every three years.

Reason for the Board Recommendation

We believe we have effective executive compensation practices, as described in more detail elsewhere in this Proxy Statement. The Board believes that providing our stockholders with a say-on-pay vote every three years (a triennial vote) will encourage a long-term approach to evaluating our executive compensation policies and practices. In contrast, focusing on executive compensation over an annual or biennial period would focus on short-term results rather than long-term value creation, which is inconsistent with our compensation philosophy, and could be detrimental to us, our employees and our financial results.

Moreover, a short review cycle will not allow for a meaningful evaluation of our performance against our compensation practices, as any adjustment in pay practices would take time to implement and be reflected in our financial performance and in the price of our common stock. As a result, a say-on-pay vote held more frequently than every two or three years would not allow stockholders to compare executive compensation to our performance.

Lastly, a triennial vote would allow us adequate time to compile meaningful input from stockholders on our pay practices and respond appropriately. This would be more difficult to do on an annual or biennial basis, and both we and our stockholders would benefit from having more time for a thoughtful and constructive dialogue on why particular pay practices are appropriate for us.

For these reasons, the Board recommends that you vote to hold a say-on-pay vote every three years. Your vote, however, is not to approve or disapprove the Board s recommendation. When voting on this Proposal 3, you have four choices: you may elect that we hold a say-on-pay vote every year, every two years or every three years, or you may abstain from voting. The number of years that receives the highest number of votes will be the frequency that stockholders approve. The opportunity to vote on Proposal 3 is required pursuant to Section 14A of the Exchange Act. However, as an advisory vote, the vote on Proposal 3 is not binding upon us, and the Compensation Committee and the Board may decide that it is in the best interests of our stockholders and our Company to hold a say-on-pay vote more or less frequently than the option approved by our stockholders. However, the Compensation Committee and the Board will consider the outcome of the vote when making future decisions on the frequency of conducting a say-on-pay vote.

THE BOARD RECOMMENDS THAT YOU VOTE TO HOLD AN ADVISORY VOTE ON EXECUTIVE COMPENSATION EVERY THREE YEARS.

PROPOSAL 4: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the independent member firms affiliated with KPMG International Cooperative, or KPMG International, a Swiss entity or KPMG LLP, was our independent registered public accounting firm for 2010.

On May 25, 2011, we dismissed KPMG LLP, as our independent registered public accounting firm, and subsequently, on May 26, 2011, engaged KPMG, a Taiwan partnership and member firm of KPMG International, or KPMG (Taiwan), as our principal accountant (as further described below). Following its dismissal as principal accountant, KPMG LLP continues to perform audit procedures at the direction of KPMG (Taiwan) in connection with KPMG (Taiwan) s audit of the Company. The dismissal of KPMG LLP was approved by the Audit Committee.

During the fiscal years ended August 31, 2010 and 2009 and the subsequent interim period through May 25, 2011, there were no (i) disagreements with KPMG LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreements, or (ii) reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K).

The audit reports of KPMG LLP on our consolidated financial statements as of and for the fiscal years ended August 31, 2010 and 2009 did not contain any adverse opinion or disclaimer of opinion, nor were the reports qualified or modified as to uncertainty, audit scope, or accounting principles, except as follows:

KPMG LLP s report on the consolidated financial statements of SemiLEDs Corporation and subsidiaries as of and for the year ended August 31, 2009 contained an explanatory paragraph stating that the accompanying consolidated financial statements and financial statement schedule have been prepared assuming that the Company will continue as a going concern. As discussed in note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management s plans in regard to these matters are also described in note 1. The consolidated financial statements and financial statement schedule do not include any adjustments that might result from the outcome of this uncertainty.

On May 26, 2011, we engaged KPMG (Taiwan) as our new independent registered public accounting firm. We desired to engage an independent registered public accounting firm with offices located near our headquarters in Taiwan. KPMG (Taiwan) previously participated in our audit as a component auditor for KPMG LLP, and accordingly, had been consulted by us on the application of accounting principles during our fiscal years ended August 31, 2010 and 2009 and the subsequent interim period through May 25, 2011. The appointment of KPMG (Taiwan) was approved by the Audit Committee.

Other than consultations during the normal course of the client auditor relationship described above, we have not, nor has anyone on our behalf, consulted KPMG (Taiwan) during the years ended August 31, 2010 and 2009 and the subsequent interim period prior to May 25, 2011 regarding either (1) the application of accounting principles to a specific transaction, either completed or proposed; or the type of audit opinion that might be rendered on our financial statements, or (2) any matter that was either the subject of a disagreement within the meaning set forth in Item 304(a)(1)(iv) of Regulation S-K or a reportable event involving us within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K; neither has KPMG (Taiwan) provided us a written report or oral advice that KPMG (Taiwan) concluded was an important factor considered in reaching a decision as to any accounting, auditing or financial reporting issue.

We have provided each of KPMG LLP and KPMG (Taiwan) with a copy of the disclosures herein made herein, neither of which has provided a statement that the disclosures are incorrect or incomplete.

The Audit Committee has selected KPMG (Taiwan) as our independent registered public accounting firm for the fiscal year ending August 31, 2012. As a matter of good corporate governance, the Audit Committee is submitting its appointment to our stockholders for ratification. If the appointment of KPMG (Taiwan) not ratified by the majority of the shares of common stock present or represented at the annual meeting and entitled to vote on

the matter, the Audit Committee will review its future appointment of an independent registered public accounting firm in light of that vote result.

The Audit Committee pre-approves and reviews audit and non-audit services performed by its independent registered public accounting firm, as well as the fees charged for such services. In its pre-approval and review of non-audit service fees, the Audit Committee considers, among other factors, the possible effect of the performance of such services on the auditor s independence. For additional information concerning the Audit Committee and its activities with the independent registered public accounting firm, see Corporate Governance and Audit Committee Report in this Proxy Statement.

We expect that a representative of KPMG (Taiwan) will attend the annual meeting, and the representative will have an opportunity to make a statement if he or she so chooses. The representative will also be available to respond to appropriate questions from stockholders.

Fees Billed by Independent Registered Public Accounting Firm

The following table shows the fees and related expenses for audit and other services provided by our independent registered public accounting firms billed for fiscal years 2011 and 2010. The services described in the following fee table performed after the date of our initial public offering were approved in conformity with the Audit Committee s pre-approval process.

	KPMG (Taiwan)	KPMG LLP	
	2011 Fees	2011 Fees	2010 Fees
Audit Services	$ 436,170	$ 103,978	$ 1,136,514
Audit-Related Services			
Tax Services			
All Other Services			
Total	$ 436,170	$ 103,978	$ 1,136,514

Audit Services. This category includes the audit of our annual consolidated financial statements, review of our quarterly condensed consolidated financial statements and services that are normally provided by our independent auditors in connection with statutory and regulatory filings or engagements. The fees include $853,785 related to services in connection with our initial public offering incurred during the year ended August 31, 2010, including comfort letters, consents and review of documents filed with the SEC. This category also includes statutory audits required by the Tax Bureau of Taiwan for certain of our subsidiaries in Taiwan.

Neither KPMG LLP or KPMG (Taiwan) performed services other than audit services during fiscal years 2011 and 2010.

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF KPMG (TAIWAN) AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2012.

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AUDIT COMMITTEE REPORT

The Audit Committee of the Board consists of the three directors whose names appear below.

The Audit Committee s general role is to assist the Board in monitoring the Company s financial reporting process and related matters. Its specific responsibilities are set forth in its charter.

The Audit Committee has reviewed the Company s financial statements for fiscal year 2011 and met with management, as well as with representatives of KPMG (Taiwan), the Company s independent registered public accounting firm, to discuss the financial statements. The Audit Committee also discussed with members of KPMG (Taiwan) the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA *Performance Standards* Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

In addition, the Audit Committee received the written disclosures and the letter from KPMG (Taiwan) required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the Audit Committee concerning independence, and discussed with members of KPMG (Taiwan) its independence.

Based on these discussions, the financial statement review and other matters it deemed relevant, the Audit Committee recommended to the Board that the Company s audited financial statements for fiscal year 2011 be included in the Company s Annual Report on Form 10-K for fiscal year 2011.

Richard P. Beck (Chairman)
Richard S. Hill
Mark Johnson

COMPENSATION OF THE NAMED EXECUTIVE OFFICERS AND DIRECTORS

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis set forth below with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into our Annual Report on Form 10-K.

Richard S. Hill (Chairperson)
Mark Johnson
Dr. Jack Lau

Executive Compensation

This executive compensation section provides information about the material elements of the compensation awarded to or earned by our named executive officers during fiscal year 2011. Our named executive officers are the following:

- Trung T. Doan, our Chief Executive Officer;
- Dr. Anh Chuong Tran, our President and Chief Operating Officer;
- David Young, our Chief Financial Officer;
- Yingku Adam Lin, our Vice President of Business Development and General Counsel; and
- Mark E. Tuttle, our former Vice President of Sales and Marketing who remains employed by us but our Board determined during fiscal year 2011 that he is no longer an executive officer within the meaning of the Exchange Act due to a change in his role and responsibilities.

This executive compensation discussion addresses and explains the compensation practices that were followed in fiscal year 2011 for our named executive officers and the numerical and related information in the Summary Compensation Table and the other tables presented below.

Compensation Discussion and Analysis

Compensation Philosophy and Objectives

Our Compensation Committee has the responsibility for establishing, implementing and monitoring adherence to our compensation program. In determining compensation, we strive to reward our executive officers with compensation that is affordable and sufficient to retain such officers while concurrently aligning the officers interests with the achievement of our financial and business goals, as well as the goals of our stockholders. Our current compensation programs consist primarily of salary and long-term equity incentives for our executive officers. We do not currently provide our named executive officers with any formal cash bonus plan or program. With respect to base salary, which is the fixed component of compensation, we compensated our CEO at a median rate of compensation and our COO at a higher rate, taking into account his historical compensation rate prior to founding our Company. We considered a long-term incentive compensation program for our CEO and COO but as discussed below, they voluntarily elected to forego long-term compensation for fiscal year 2011 in order to reallocate such compensation to our non-officer employees. As our needs evolve, we intend to continue to evaluate our philosophy and compensation programs as circumstances require, and at a minimum, we will review executive compensation annually.

Roles of Executives and Compensation Consultant

To help us discharge our responsibilities, our Compensation Committee has the authority under its charter to engage the services of outside counsel, consultants, accountants and other advisors. For fiscal year 2011, the Compensation Committee hired Mercer, an independent compensation consultant, to assist it in generating a peer group of comparable companies, analyze the compensation of our CEO, COO and chief financial officer (CFO) relative to our peer group, advise us as to the recent trends in compensation and make recommendations regarding the structure and amount of compensation for each of these officers. The Compensation Committee evaluated the advice from Mercer to make a decision regarding the compensation of our CEO and COO. With respect to the compensation of our CFO, the Compensation Committee took into account the recommendations from our CEO but it had the ultimate authority to make the compensation decision based on an assessment of his experience, skills and role and responsibilities. With respect to our Vice President of Business Development and General Counsel, his compensation was determined and negotiated by our CEO.

Benchmarking

With the assistance of Mercer, the Compensation Committee developed a list of 18 peer companies that compete with us for customers, capital and, most importantly, executive talent. The Compensation Committee determined that for our founding CEO and founding COO, the appropriate compensation market is the United States. Prior to founding our Company, both of these officers worked and built their careers in the United States. The peer companies are U.S. publicly traded companies that first became publicly traded from 2007 to 2010, have similar revenue size and are in the semiconductor, computer storage and peripherals or electronic equipment and instruments industry. These industries recruit employees with similar skills and experience to our employees. Our peer group consists of: Fabrinet, Jinkosolar Holding Co., China Sunergy, Alpha and Omega Semiconductor, Spreadtrum Communications, Netezza, Daqo New Energy, Cavium Networks, Entropic Communications, ICX Technologies, Mellanox Technologies, Compellent Technologies, Comverge, China DigitalTV Holdings, Maxlinear, Rubicon Technology, Authentec and Memsic.

Principal Elements of Executive Compensation

The total compensation of our executive officers consists of the following elements:

- base salary;
- long-term incentive compensation, consisting of options and restricted stock units (RSUs), except that our CEO and COO have foregone this compensation for fiscal year 2011;
- potential payments upon specified termination events and vesting acceleration for some of our officers;
- certain perquisites related to their ex-patriot status; and

- benefits that are generally available to our employees.

Base Salaries

Base salary is the guaranteed compensation received by our executive officers for performing their regularly assigned duties. The following table sets forth information regarding the base salary for fiscal year 2010 and 2011 for our named executive officers:

Named Executive Officer	Fiscal Year 2010 Base Salary	Fiscal Year 2011 Base Salary
Trung T. Doan	$ 194,000	$ 405,000(1)
Dr. Anh Chuong Tran	$ 190,000	$ 350,000(2)
David Young	$ 112,000	$ 180,000(3)
Yingku Adam Lin		$ 180,000(4)
Mark E. Tuttle	$ 90,000	$ 150,000(5)

(1) Mr. Doan s base salary was increased from $194,000 to $405,000 effective April 1, 2011.

(2) Dr. Tran s base salary was increased from $190,000 to $350,000 effective April 1, 2011.

(3) Mr. Young s base salary was increased from $112,000 to $180,000 effective April 1, 2011.

(4) Mr. Lin joined us as our Vice President of Business Development and General Counsel in May 2011.

(5) Mr. Tuttle was appointed our Vice President of Sales and Marketing in February 2011, but was subsequently reassigned to serve a different role within our Company.

Relative to our peer group, the base salary for each of our CEO, COO and CFO had been lower than the 25th percentile for their positions among our peer group. For retention purposes, the Compensation Committee determined that it was appropriate to raise the base salary of Mr. Doan, our CEO, to a level that is at the 50th percentile of our peer group and to raise the base salary of Dr. Tran, our COO, to be at the rate of compensation that he earned prior to founding our Company, which is at approximately the 75th percentile for his position in our peer group. This is an important baseline amount for Dr. Tran and given his significance to the Company, the Compensation Committee believed it was prudent for us to pay him this amount. For Mr. Young, our CFO, Mr. Doan recommended that we should consider Mr. Young s role and responsibilities as a chief financial officer of a United States publicly traded company and the market rate in Taiwan. Accordingly, the base salary for Mr. Young was increased to be at a rate that is approximately the average between the 50th percentile for his position in Taiwan and the 50th percentile for his position in the United States. Mr. Lin s base salary was set in connection with his hiring and appointment as our Vice President of Business Development and General Counsel and reflects his experience, qualifications, the scope of his role, internal pay consistency and retention incentives. Mr. Tuttle s base salary and subsequent raises in fiscal year 2011 were set to reflect his prior experience with us and market rate for his level of experience. The actual salaries earned in fiscal year 2011 by each named executive officer are reflected in the Summary Compensation Table below.

Long-Term Incentive Compensation

Background. We established our equity incentive plan to align the interests of our employees, including our named executive officers, with the interests of our stockholders and to provide our employees an incentive to support our long-term success and growth. We do not have any program or obligation that requires us to grant equity compensation to any executive officer on specified dates. Instead, our Compensation Committee exercises its judgment and discretion, with recommendations from Mercer and our CEO, as appropriate, to determine the amount and mix of equity awards to approve. When granting equity awards, our Compensation Committee also considers, among other factors, the role and responsibility of the named executive officer, motivation factors, retention incentives and the ownership percentage already held by the named executive officer.

In fiscal year 2011, based on the recommendations from Mercer, we intended to compensate our CEO and COO with long-term incentive compensation consisting of options (60% of the long-term incentives) and RSUs (20% of the long-term incentives) that were subject to time-based vesting and additional RSUs (20% of the long-term incentives) that were subject to performance-based vesting. However, our CEO

and COO voluntarily elected to forego their right to receive any long-term incentive compensation for fiscal year 2011 in order to reallocate such long-term incentive compensation to our non-officer employees. Our Compensation Committee did not approve any grants to our CFO in fiscal year 2011 because based on his outstanding option awards and overall ownership percentage, we believe that he continues to be adequately incentivized. Because our CEO and COO each continue to own approximately 12% of our total outstanding equity, we also believe that they will continue to have a strong incentive to perform to increase overall stockholder value. In addition, we can benefit from having the equity that would have been granted to our CEO and COO be used to retain and motivate many more employees. Our CEO and COO would have been eligible to earn approximately 36,000 RSUs and 82,000 shares subject to options. In August 2011, our Compensation Committee, with recommendations from our CEO, approved the reallocation and grant of the RSUs and options to our non-officer employees, which awards vest annually over a four-year vesting schedule.

In July 2011, Mr. Lin was granted an option to purchase 60,000 shares of common stock at an exercise price per share of $6.08. This option vests annually over a four-year vesting schedule, subject to Mr. Lin s continued service through each vesting date. In addition, in July 2011, Mr. Lin was also granted 7,000 RSUs that vest annually over a four-year vesting schedule, subject to Mr. Lin s continued service through each vesting date. Both of these grants

will fully vest upon a change in control of the Company that occurs during his employment. These grants were made in connection with the commencement of Mr. Lin s employment with us, in accordance with the terms of his offer letter, which was individually negotiated with our CEO, and took into account his executive position with us, role and responsibilities, and the amount of his base salary and other compensation.

In January 2011, Mr. Tuttle was granted an option to purchase 12,500 shares of common stock at an exercise price per share of $19.00. This option vests annually over a four-year vesting schedule, subject to Mr. Tuttle s continued service through each vesting date. In addition, in January 2011, Mr. Tuttle was also granted 8,000 RSUs that vest annually over a four-year vesting schedule, subject to Mr. Tuttle s continued service through each vesting date. Both of these grants will fully vest upon a change in control of the Company that occurs during his employment. These grants were made along with other regular employee grants for retention and incentive purposes, and took into account his increased role and responsibilities.

Timing and Size of Option Grants. We have historically only granted options and continue to grant options since they offer a powerful incentive for our employees, including our named executive officers, to increase the value of our shares. This is the case because the value of our stock has to appreciate in order for our executive officers to receive any gain from their options. We typically grant the largest stock option in the year that an executive officer commences employment. Generally, each option vests annually according to a four-year schedule. Thereafter, we make option grants at the discretion of our Compensation Committee (or before we became a public company, our Board). We anticipate that we will continue to grant options as a part of any long-term incentive compensation program that we establish for our named executive officers. The size of each grant will be determined after the Compensation Committee reviews the comparative data of options granted by our peer companies for any position.

Restricted Shares, Stock Appreciation Rights and Restricted Stock Units. We generally have not granted restricted stock awards or stock appreciation rights, but reserve the right in the future to approve these types of awards. In fiscal year 2011, the Compensation Committee determined that it was important to grant RSUs, in addition to options, to our employees in order to mitigate some of the risk of having underwater options during tough economic times, help retain our officers and create Company ownership and to be competitive with equity awards made by our peer group and other comparable technology companies with which we compete for talent. We also believe that RSUs constitute an appropriate form of compensation that aligns the interests of our employees, including our named executive officers, with our stockholders. Bearing in mind that RSUs continue to have value even when our stock price has not increased, we will likely grant fewer RSUs than options.

Stock Ownership Guidelines

We currently do not require our directors or executive officers to own a specified amount of our common stock. We believe that the stock and option holdings of our directors and executive officers are sufficient at this time to provide incentives to perform for us and to align this group s interests with those of our stockholders.

Perquisites and Other Benefits

We adopted a policy for our expatriate employees in which we will pay for one round-trip ticket for such employees to fly from Taiwan to visit their home country. In fiscal year 2011, we adopted a policy for Mr. Doan and Dr. Tran under which we will pay for the cost of one business class round trip airline ticket for each of Mr. Doan and Dr. Tran and their respective spouses and children. In connection with our hiring of Mr. Lin in May 2011, we provided airfare and lodging for his travel from California to Taiwan, including corporate housing for two months, and

we have also agreed to reimburse certain shipment costs and air transportation for his family members related to his relocation from California to Taiwan. As part of our employment arrangement with Mr. Tuttle when he first joined the Company and prior to his appointment in February 2011 as our vice president of sales and marketing, we agreed to reimburse Mr. Tuttle s housing expenses during the term of his employment with the Company. We continued to provide such reimbursement after Mr. Tuttle s appointment in February 2011 as our vice president of sales and marketing. We also allow and recommend that our executive officers use one of the available Company owned or leased cars for business travel needs, recognizing that the vehicles can also be used for personal purposes.

Our executive officers are also eligible for the benefits generally available to our employees, including our labor insurance, national health insurance and certain group insurance (including life insurance, accidental death & dismemberment insurance, hospitalization and surgical benefits), with the labor insurance and national health insurance mandated by Taiwan law and all of this insurance available to all employees, regardless of nationality.

Severance and Change in Control Benefits

Mr. Doan and Dr. Tran entered into employment agreements in 2005, which provide that if the respective individual is terminated by us without cause or resigns due to a constructive termination, he will receive as severance an amount equal to six months of his then-current salary plus his current medical insurance for six months following his termination date. We offered such severance to motivate Mr. Doan and Dr. Tran to continue as our executive officers by providing severance protection in the event that they are terminated by us without having committed any egregious act constituting cause or if we adversely change their positions such that they resign. Cause is defined as (a) the conviction of a felony or of any criminal offense involving moral turpitude; (b) the repeated failure to satisfactorily perform
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· local market conditions;

· internal equity considerations;

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- acquisition-related rights;
- recommendations of the Company s CEO (for other NEOs); and
- the Committee s assessment of the overall financial performance (particularly operating results) of the Company and its operating units.

The Interim Final Rule prohibits the payment or accrual of bonus, retention award or incentive compensation to the Company s NEOs and next 20 most highly compensated employees. The Interim Final Rule does permit payouts of bonuses accrued to June 15, 2009, the effective date of the Interim Final Rule, and we did accrue amounts for bonus payments through that date based on our anticipated 2009 performance. However, based on the Company s overall performance during 2009, and taking into account the continuing economic downturn, the Executive Compensation Committee determined in its discretion not to pay out the accrued amounts for 2009. As a result, the NEOs did not and will not receive any annual incentive or annual bonus payments for 2009. As described above, the prohibition on such payments will continue for 2010 and for as long as we are a participant in the CPP and the prohibition remains in place.

Long-Term Incentive Compensation

Long-term incentive compensation has historically been an area of particular emphasis in our executive compensation program, based on our belief that long-term incentives promote the long-term perspectives necessary for our continued success. This emphasis is consistent with our executive compensation objective of aligning a significant portion of each executive s total compensation with our long-term performance and the financial interests of our shareholders. As described below, the prohibitions on bonus and incentive compensation under the Interim Final Rule significantly affected the long-term element of our executive compensation program in 2009 and will, we believe, continue to do so in 2010.

Prior to 2009, the majority of our long-term incentive compensation was delivered through grants of performance units in multi-year cash incentive plans, referred to as Value Sharing Plans, and stock options. Restricted shares and performance shares were granted less frequently and typically only when needed to fulfill specific business and human resources objectives. In determining the allocation of the long-term awards to the NEOs from among these forms of awards, the Executive Compensation Committee placed an emphasis on stock options for several reasons. First, stock options directly align the value of the benefit to the NEO with shareholder interests, since executives recognize a reward only if and to the extent the value of our common shares increases. Also, stock options historically have been the most prevalent form of award among the Company s peers. Value Sharing Plan incentives were also emphasized in our long-term incentive programs because they were designed to reflect the performance of the operating unit with respect to which the participant had the greatest influence and responsibility. The Value Sharing Plans also provided an opportunity for executive officers and certain designated key employees to share directly in improvements in shareholder value (above predetermined minimum performance thresholds) over multi-year periods. These plans have also been useful as a key retention element because payouts in excess of an executive s base salary have typically been required to be deferred for one year and were dependent upon continued employment.

Value Sharing Plans

All of our most recently completed Value Sharing Plans, including the two-year 2007-2008 Amegy Bank Value Sharing Plan, had performance periods that concluded on December 31, 2008. None of the Company s Value Sharing Plans in which our NEOs held units of participation achieved threshold levels of earnings growth or incremental return on equity over their respective performance periods. As a result, none of our NEOs received payouts from the Company s Value Sharing Plans for the most recent performance period.

Under normal circumstances, the Executive Compensation Committee would have approved the terms, and granted new units, of participation to the NEOs and other members of the Company s EMC, in a new set of Value Sharing Plans covering the next two- to three-year period of our performance. However, the Executive

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Compensation Committee s ability to use performance-based programs, like the Company s Value Sharing Plans, is prohibited under the Interim Final Rule. As a result, the Executive Compensation Committee did not approve, and none of the NEOs or other members of the Company s EMC received, units of participation in the Company s newest set of Value Sharing Plans that were approved in 2009 and designed to cover a two-year performance period ending June 30, 2011.

Stock Options

We have historically granted stock options on an annual basis, representing the right to purchase a specified number of our common shares at a purchase price not less than 100% of the fair market value (defined as the closing price) of the common shares on the date the option is granted. Such grants are discretionary by the Executive Compensation Committee, reflecting the position of each executive officer in the Company and that person s proportionate responsibility for overall corporate performance. The allocation of stock options among executive officers is not based on any measure of our performance, but is based on a subjective evaluation of individual performance and the scope of the individual s responsibilities. Information regarding the quantity and terms of stock options and other equity awards granted by other financial institutions was provided by the Executive Compensation Committee s independent consultant with respect to the Custom Peer Group.

Our practice has been to grant incentive stock options up to the maximum amounts available under Section 422 of the Internal Revenue Code and, if needed, additional nonqualified stock options to reach the targeted long-term incentive value for each executive.

Option exercise prices are set at the closing price of our common shares on the date of grant. The Committee has never granted options with an exercise price that is less than the closing price of the Company s common shares on the grant date, nor has it granted options that are priced on a date other than the grant date.

The Executive Compensation Committee changed its policy for granting equity awards in 2006. Prior to that year, the practice had been for every grant of stock options or restricted shares to new hires, on the occasion of promotions, or other unusual circumstances, to be brought to the Board for approval. The Committee resolved in January 2006 to permit the CEO the authority to grant options and restricted shares up to a predetermined limit with subsequent reporting to the Committee. No grants may be made to EMC members, including NEOs, without prior approval from the Committee.

Stock options are covered under the Interim Final Rule s prohibition on the payment or accrual of bonus or incentive compensation to our NEOs and the next 20 most highly compensated employees. As a result, we did not grant share options to the NEOs in 2009. The prohibition on stock option grants will continue as long as the Treasury Department holds any of the preferred shares we issued it under the TARP CPP.

Restricted Shares

A restricted stock award is an award of full value shares of our common stock that vests over a period of time specified by the Executive Compensation Committee at the time of the award. Under the Interim Final Rule, we are permitted to award long-term restricted stock to the NEOs, but only to the extent the value of the shares does not exceed one-third of the total amount of annual compensation of the employee receiving the shares. To comply with the Interim Final Rule, such grants must have a minimum service requirement of at least two years and must not fully vest until after the Company repays all CPP-related obligations.

The Executive Compensation Committee believes that the restricted stock awards are and will continue to be an important tool for the Executive Compensation Committee to implement in meeting the objectives of our executive compensation program, particularly in light of the significant restrictions placed on the other tools available to the Executive Compensation Committee by the Interim Final Rule. Restricted stock awards permit the Executive Compensation Committee to continue to provide a competitive total compensation value to allow

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us to retain key individuals, while at the same time aligning a significant portion of each NEO s total compensation with the Company s long-term financial performance as well as the financial interests of our shareholders. Because the salaries of executive officers had been frozen and the Company was restricted by regulation from awarding bonus and other incentive compensation, the Executive Compensation Committee decided to award to each executive officer in June 2009 a number of restricted shares that would have a value at the time of the award equal to one-half of each NEO s base salary, the maximum permitted under the Interim Final Rule.

Health and Welfare Benefits

Each of the NEOs may participate in our health and welfare benefit programs, including medical, dental, and vision care coverage, disability insurance, and life insurance, on the same terms and in the same amounts as are available to our other full-time employees.

Retirement Benefits

We believe that providing competitive retirement security programs is an important factor in attracting and retaining highly qualified employees and executives. In accordance with this objective, we have continually reviewed and updated the design and structure of our retirement programs to maintain market competitiveness. All employees who are at least 21 years of age are eligible to participate in the Zions Bancorporation Payshelter 401(k) and Employee Stock Ownership Plan. Eligibility and participation in the Deferred Compensation Plan, Excess Benefit Program, Cash Balance Plan and Supplemental Executive Retirement Plan, each described below, are limited to highly compensated employees or grandfathered employees.

401(k) Payshelter and Employee Stock Ownership Plan

The 401(k) Payshelter and Employee Stock Ownership Plan is a defined contribution plan qualified under provisions of Section 401 of the Internal Revenue Code. The plan is a combination of a 401(k) plan and an employee share ownership plan. The plan permits participants to contribute between 1% and 80% of their earnings on a tax-deferred basis, up to a maximum of $16,500 ($22,000 for participants age 50 and above) in 2009. Vesting of employee contributions occurs upon contribution. We provide a matching contribution of up to 4% of compensation in the form of common shares. Our contributions are determined by reference to the employee s contributions and are not discretionary. Participants may diversify their Company matching contribution into any of the plan s array of mutual funds at any time.

Effective January 1, 2003, we replaced our cash balance defined benefit retirement plan with a profit sharing plan in which contributions are based upon our performance according to a discretionary formula approved annually by the Board of Directors. In recent years, the formula has been based upon the achievement of varying levels of return on average shareholder s common equity. In view of the Company s disappointing financial results in 2008, we did not make a profit sharing plan contribution in 2009. Company profit sharing contributions are invested in our common shares. Participants may diversify the Company s profit sharing contribution into any of the plan s array of mutual funds after three years of service. Prior to January 1, 2007, vesting of the Company contributions was based on a five-year cliff vesting schedule. On January 1, 2007, vesting was changed to an incremental vesting schedule over five years. The maximum profit sharing contribution permitted under the plan is limited by Sections 415 and 401(a)(17) of the Internal Revenue Code. Under current regulations, compensation for the purpose of determining benefits in 2009 cannot exceed $245,000.

For selected executives, including Messrs. Simmons, Arnold, Anderson and Blackford, profit sharing contributions that cannot be provided due to the compensation limitation are restored in the Company s excess benefit plan, or Excess Benefit Plan, which is described below.

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Deferred Compensation Plan

The Deferred Compensation Plan was established on January 1, 2001, and was restated effective January 1, 2004, to allow highly compensated employees (currently earning over $135,000 annually) to defer up to 50% of their base salary and up to 100% of their bonus and incentive compensation.

Under this plan, we have established a wide array of investment options that are maintained for the purposes of determining the amount of notional investment earnings to be credited to participants accounts. Participants must select the investment options for their notional contributions at the time of enrollment but can change their investment elections at any time. Individual accounts are credited with the notional earnings of the reference investment options they select, net of any investment or management fees.

Generally, participants can elect the time and manner of distribution of their vested account balance, subject to the requirements of Section 409A of the Code. The manner may be in the form of a lump-sum cash payment, or payments in substantially equal monthly amounts over a specified number of years. The time may be date-specific or upon the occurrence of a triggering event, such as retirement.

Assets under this plan are set aside in a rabbi trust that can only be used for the payment of benefits under the plan. However, in the event of our bankruptcy or insolvency, the assets would be subject to the claims of general creditors and participant claims would be considered along with the claims of other general creditors.

Excess Benefit Plan

On January 1, 2004, we segregated the employer-contributed executive management restoration benefit from the Deferred Compensation Plan and established the Excess Benefit Plan. Prior to that date, all restoration and excess benefit contributions were made to the Deferred Compensation Plan. The Excess Benefit Plan consists solely of employer contributions that restore benefits that are limited by tax-qualified plan limitations, and since January 1, 2004, all restoration benefits have been deposited into the Excess Benefit Plan.

Cash Balance Plan

Benefit accruals under our cash balance defined benefit retirement plan were frozen as of December 31, 2002. A group of certain eligible (grandfathered) employees continue to accrue earnings and interest credits to their cash balance accounts in the plan, while all other participants accrue interest credits only. Those grandfathered were over age 55 at the time the plan was frozen. Scott Anderson is the only NEO that is a grandfathered employee in this plan.

Supplemental Executive Retirement Plan

The Supplemental Executive Retirement Plan, or SERP, is an unfunded, nonqualified plan established January 1, 1994, to restore benefits lost by certain highly compensated employees of the Company. The Board of Directors determined the participants in the SERP primarily from among those employees of the Company who were members of the Executive Management Committee. Effective December 31, 2002, benefit accrual under the SERP was frozen in conjunction with the freezing of the cash balance defined benefit retirement plan. The NEOs participating in these plans accrued only interest credits in 2003 and subsequent plan years.

Perquisites and Other Personal Benefits

We provide NEOs as well as other executive officers with perquisites and other personal benefits that we and the Committee believe are reasonable and consistent with its overall compensation objective to better enable the Company to attract and retain superior employees for key positions. We and the Committee believe that perquisites and other personal benefits generally should be modest and should have a demonstrative and significant benefit to the advancement of our business or to the efficiency of our executives in the performance of their jobs.

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Tax and Accounting Implications

Deductibility of Executive Compensation

As part of its role, the Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code, which provides that we may not deduct compensation of more than $1,000,000 annually that is paid to certain individuals, unless that compensation is paid pursuant to a performance-based compensation plan. As described above, in connection with our participation in the CPP, we have agreed to be subject to Section 162(m)(5) of the Code. This section reduces the annual Section 162(m) tax deduction limit for remuneration paid to our applicable SEOs during any taxable year from $1,000,000 to $500,000 and eliminates the availability of the exception to the deduction limit for performance-based compensation.

Generally, the Committee seeks to maximize executive compensation deductions for federal income tax purposes. However, the discretionary nature of our cash incentive awards may result in an amount of compensation not being deductible under Section 162(m) of the Code. Management and the Committee believe that there may be circumstances in which the provision of compensation that is not fully deductible but provides a stronger alignment of awards with performance achieved through a discretionary process warrants the lost deduction. The Committee believes that the compensation awarded to our named executive officers with respect to the 2009 performance year would have been deductible under Section 162(m), but notes that due to the Company s participation in the TARP CPP a portion of the compensation attributable to 2009 services of our executive officers who are SEOs will be nondeductible under Section 162(m) of the Code.

Nonqualified Deferred Compensation

On October 22, 2004, the American Jobs Creation Act of 2004 was signed into law, changing the tax rules applicable to nonqualified deferred compensation arrangements. Section 409A imposes substantial penalties and results in the loss of any tax deferral for nonqualified deferred compensation that does not meet its requirements. The Executive Compensation Committee has structured the elements of our compensation program to comply with the distribution, timing and other requirements of Section 409A. These actions are intended to prevent certain elements of executive compensation from resulting in substantial tax liability for the named executive officers pursuant to Section 409A. However, because of the uncertainties associated with the application and interpretation of Section 409A and the guidance issued under it, there can be no assurance that every element of the company s compensation program does, in fact, comply with such requirements. A more detailed discussion of the Company s nonqualified deferred compensation arrangements is provided under the heading Deferred Compensation Plan.

Accounting for Stock-Based Compensation

Beginning on January 1, 2006, we began accounting for share-based payments in accordance with the requirements of ASC 718 *Compensation Stock Compensation*. See Summary of Significant Accounting Policies and Note 17 to our Consolidated Financial Statements, each in our Annual Report on Form 10-K for the year ended December 31, 2009.

Employment Contracts

Generally, we do not enter into employment contracts with either our NEOs or with our other officers. Prior to 2005, only one member of the Executive Management Committee, George Feiger, had a contractual employment relationship with the Company. This was specially negotiated with Mr. Feiger in connection with his recruitment and his responsibility for building a wealth management business (Contango Capital Advisors, Inc.).

Following the acquisition of Amegy Bank in 2005, the Company executed employment contracts with Paul Murphy, Jr., Scott McLean and certain other members of Amegy Bank s senior management. These

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agreements were negotiated in conjunction with the acquisition of Amegy Bank in order to retain the executives and enhance the value of the Company s investment in the Amegy Bank franchise. The agreements had a three-year term and expired on December 8, 2008.

Finally, in 2007, an employment agreement was negotiated with Dallas Haun in connection with his recruitment to be the president and CEO of Nevada State Bank, a Zions affiliate.

Share Ownership and Retention Guidelines

In 2009, we adopted share ownership and retention guidelines. These guidelines call for our executive officers either to hold common shares with an aggregate value equal to a multiple of their salaries, ranging from one to three depending on their position, or to retain shares equal to one-half of the net shares acquired through equity grants.

Change in Control Arrangements

The Company is party to change in control agreements with certain of our senior executives who were selected by the Board of Directors and maintain a special severance plan for the benefit of certain other officers, to foster the continuous employment of senior and mid-level executives and management and to reinforce and encourage their continued attention and dedication to their duties without the distraction from the possibility of a change in control of the Company.

For purposes of the change in control agreements and the special severance plan, unless certain members of the Board of Directors determine that a change in control has not occurred, a change in control will be deemed to have occurred if:

(1) any person, other than the Company or any employee benefit plan of the Company, acquires beneficial ownership of more than 20% of the combined voting power of the Company s then outstanding securities;

(2) the majority of the Board of Directors changes within any two consecutive years, unless certain conditions of Board approval are met;

(3) a merger or consolidation of the Company is consummated in which the prior owners of our common shares no longer control 50% or more of the combined voting power of the surviving entity;

(4) the shareholders of the Company approve a plan of complete liquidation of the Company; or

(5) an agreement providing for the sale or disposition by the Company of all or substantially all of its assets is consummated.

Change in Control Agreements

The Company has entered into change in control agreements with certain senior executives selected by the Board of Directors designed to ensure their continued services in the event of a change in control. All of the NEOs are included in this group. We entered into these agreements because the financial services industry has been consolidating and we wanted to minimize distractions to our executives caused by a rumored or actual change in control. Further, if a change in control should occur, we want our executives to be focused on the business of the organization and the interests of shareholders. In addition, we believe it is important that our executives be able to react neutrally to a potential change in control and not be influenced by personal financial concerns. We believe our change in control agreements assist us in retaining executive talent and realizing the aforementioned objectives.

Under the Interim Final Rule, we are required to prohibit any golden parachute payments to the NEOs and any of the next five most highly compensated employees while we are a participant in the CPP. For purposes

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of the prohibition, the term golden parachute payment would include payments for departure from the Company for any reason, or any payment due to a change in control of the Company, except for payments for services performed or benefits accrued. The prohibition also includes the acceleration of vesting due to the departure or the change in control event, as applicable. As a result, the NEOs are not currently eligible to receive benefits under the change-in-control agreements. Further, under the agreements entered into between us and each of our NEOs as a result of the Company s participation in the CPP, the potential benefits under the NEO change-in-control agreements and special severance plan (described in a later section) are subject to reduction as necessary to be in compliance with the provisions of the CPP and the related legislation, including the Interim Final Rule.

Absent the prohibitions under the Interim Final Rule described above, the change in control agreements provide that if, within the two-year period immediately following a change in control, an executive s employment is terminated other than for cause or the executive terminates his or her employment for good reason (generally, an unfavorable change in employment status, compensation or benefits, or a required relocation), then the executive generally will be entitled to receive:

(1) a lump sum severance payment equal to three times the sum of annual base salary plus the greater of the targeted annual bonus then in effect, or the average of the executive s annual bonuses for each of the three years immediately prior to the change in control;

(2) full base salary through the date of termination, any unpaid annual bonus, and the targeted annual bonus prorated through the date of termination;

(3) continuation of medical and dental health benefits for three years;

(4) outplacement services for two years at an aggregate cost to the Company not to exceed 25% of the annual base salary; and

(5) full vesting in accrued benefits under our pension, profit sharing, deferred compensation, or supplemental plans.

Our change-in-control agreements do not provide tax gross-up benefits. If any payment or distribution to or for the benefit of the executive would be subject to an excise payment required by Section 280(g) of the Internal Revenue Code, the total payment or distribution will be reduced to such extent required to not trigger the excise tax. The executive will determine which payments or benefits to reduce.

Immediately prior to a change in control, all outstanding options granted to the executive under the Company s stock option plans, incentive plans or other similar plans will become fully vested and exercisable and the restricted period with respect to any restricted shares or any other equity award will lapse. Additionally, executives will be entitled to pro rata payment of benefits available under the Value Sharing Plans.

Commencing on the date of termination of his or her employment, the executive may not disclose any confidential information and, for one year following such date of termination, may not solicit or attempt to solicit away from the Company any of its officers or employees.

We believe that change in control agreements should compensate executives who are displaced by a change in control and not serve as an incentive to increase an executive s personal wealth. Therefore, these change in control agreements require that there be both a change in control and an involuntary termination without cause or a voluntary termination for good reason, which is often referred to as a double-trigger. The double-trigger ensures that we will become obligated to make payments under the change in control agreements only if the executive is actually or constructively discharged as a result of the change in control.

Special Severance Plan

A special severance plan covers certain mid-level executives and senior management selected by the Board of Directors. There are two levels of benefits available under the special severance plan. The special severance plan provides severance benefits that are generally the same as those provided under the change in control agreements, except that the salary and bonus multiplier is either one or two depending upon the role and responsibility of the individual participant, and the period of continued medical and dental health benefits and outplacement services is either one or two years depending upon the role and responsibility of the participant. The Interim Final Regulations prohibit our NEOs and five next most highly compensated employees from receiving benefits under this plan for the period during which the Treasury Department holds the preferred shares or warrants we issued to it under the TARP CPP.

Vesting of Share Options and Restricted Shares

The Key Employee Incentive Stock Option Plan provides that outstanding options under such plan will vest immediately upon a change in control (as such term is defined in the change in control agreements). If any employee holding outstanding options under the plan is terminated, other than for cause, within two years following a change in control, the exercise period for such outstanding options will be extended to the full remaining term of the option.

The Zions Bancorporation 2005 Stock Option and Incentive Plan also provides that, upon a change in control, all awards shall fully vest and all restrictions on restricted shares will immediately lapse. If any employee holding outstanding options under the plan is terminated, other than for cause, disability, death, or retirement, within two years following a change in control, the employee will be entitled to exercise his or her options at any time thereafter until the earlier of the date 42 months after the date of termination of employment or the expiration date in the applicable award agreement.

EXECUTIVE COMPENSATION COMMITTEE REPORT

The following Report of the Executive Compensation Committee does not constitute soliciting material and should not and will not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates this Report by reference therein.

The Executive Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Executive Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

In addition, the Executive Compensation Committee certifies that:

- in January 2009, it reviewed with senior risk officers of the Company the Company s SEO incentive compensation arrangements and has made all reasonable efforts to ensure that such arrangements do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the Company;

- during the six-month period beginning September 14, 2009, it has reviewed with senior risk officers of the Company the employee compensation plans, including SEO incentive compensation plans, and has made all reasonable efforts to limit any unnecessary risks these plans pose to the Company; and

- during the six-month period beginning September 14, 2009, it has reviewed with senior risk officers of the Company the employee compensation plans to eliminate any features of these plans that would encourage the manipulation of reported earnings of Zions Bancorporation to enhance the compensation of any employee.

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The certification above and the narrative below are being provided in accordance with the requirement of the Interim Final Rule issued June 15, 2009.

Discussion of Risk Review and Assessment

The Executive Compensation Committee has engaged in a comprehensive review of the Company s employee incentive plans in order to comply with the requirements of the Interim Final Rule. The Company s senior risk officers, along with senior employees in the Company s human resources, credit policy, and legal departments formed a working group to inventory and evaluate all of the Company s employee incentive plans with regard to the categories of risk identified in the TARP Standards. Ultimately the review focused upon those plans which were determined to have greater potential risk that could conceivably (1) threaten the value of the Company; (2) encourage earnings manipulation; or (3) encourage pursuit of short-term gains without appropriate concern for risk. As a result, the working group placed the greatest scrutiny on the lending, trading, and individual revenue generation incentive plans across the enterprise.

The working group assigned an overall risk rating to each incentive plan ranging from 1 (highest risk) to 5 (lowest risk). If an incentive plan received an overall risk rating of 1 it would be deemed to require immediate modification through the implementation of additional controls or plan features designed to ensure the appropriate mitigation of the risks identified. Lower levels of risk would require varying levels of monitoring and review.

Criteria used by the working group to quantify the financial risks associated with the plans included, among others, the aggregate payout, participation rate, average individual payout, upside pay potential (leverage), and funding mechanism associated with each incentive plan.

The assessment of plan design risks focused on the performance metrics used in the plan, and considered whether they incorporated or adjusted for risk. The working group looked at the methods used with incentives, including how payouts were computed, the use of thresholds and caps, frequency of payment, clawbacks and the ability to exercise discretion to reduce payouts, particularly in the case of declining credit quality or financial performance. The working group also reviewed credit risk, operational risk and the overall time horizon of the business and pay to consider whether incentive plan payouts tied to the likely realization of business risks.

Finally, the working group reviewed the administration risk components for each plan reviewed. Such components included oversight and monitoring, segregation of duties, and documentation.

SEO Compensation Arrangements

Annual Cash Bonus Program, Including Zions Bancorporation Management Incentive Plan

This is an annual cash incentive plan designed to support the Company s strategic business objectives, promote the attainment of the Company s financial plan, and reward the achievement of business unit and individual performance objectives. It governs the annual bonus payouts of the Company s NEOs. Individual payouts are determined based on discretionary assessments of a wide variety of both qualitative and quantitative performance results.

The discretionary nature of this plan allows awards to be based on a comprehensive assessment of performance, including risk outcomes over the long term. This, in combination with a rigorous multi-layered review of all bonus decisions under the Plan ensures, in the view of the Executive Compensation Committee, the proper connection between performance and reward and discourages excessive or unnecessary risk taking that could potentially threaten the value Zions Bancorporation or the manipulation of reported earnings.

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2005 Zions Bancorporation Stock Option and Incentive Plan

This Plan authorizes equity awards that can be granted to our employees. The primary risk under this Plan is that awards will inappropriately incent risk-taking since the value of awards is leveraged to the Company s future performance. This Plan limits this risk by, among others:

- imposing an annual limit on the number of shares that may be granted to any single individual;
- requiring share options to have an exercise price of fair market value on the date of grant; and
- tying vesting to at least three years or to the Company s performance over three years.

The Committee believes that this plan reinforces long-term, rather than short-term, value creation. Further, as a result of these design elements, the Committee believes that the 2005 Stock Option and Incentive Plan does not encourage unnecessary or excessive risk taking that threatens the value of the Company or the manipulation of earnings to enhance the compensation of any of the Company s employees.

Employee Compensation Plans

In addition to the incentive plans for SEOs discussed above, there are various other employee compensation plans, some of which are discretionary in nature as to the amounts to be paid under the plan, some for which the amounts to be paid under the plan is based on a formula, some of which meet the requirements for commission compensation under TARP compensation standards and others for which the amounts to be paid under the plan may be determined based on a combination of these approaches. All of these plans were reviewed by the working group as described above.

As a result of the review, it was determined that the risk management oversight and the internal controls embedded in each business unit, the discretionary nature of many of the compensation plans or the adjustments for risk included in the method used to determine the amounts to be paid, or a combination of these features, are key features that serve to ensure that the compensation plans do not encourage undesirable risk-taking activities or the manipulation of earnings.

This report was adopted February 22, 2010, by the Executive Compensation Committee of the Board of Directors,

Executive Compensation Committee

Steven C. Wheelwright, Chairman

R. D. Cash

Patricia Frobes

Roger B. Porter

Shelley Thomas Williams

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COMPENSATION TABLES

2009 Summary Compensation Table

The following table provides information concerning the compensation of the NEOs for our most recently completed fiscal year.

In the column Salary, we disclose the amount of base salary paid to the NEO during the fiscal year. In the column Bonus, we detail the amount of the annual discretionary bonus paid to the NEO for fiscal 2009. In the columns Stock Awards and Option Awards, SEC regulations require us to disclose the grant date fair value of equity awards made during the fiscal year. For restricted shares and performance shares, the grant date fair value per share is equal to the closing price of our common shares on the date of grant. For share options, the grant date fair value per share is based on certain assumptions that we explain in footnote 17 Share-Based Compensation to our financial statements, which are included in our Annual Report on Form 10-K for the year ending December 31, 2009. The amounts shown in the 2009 Summary Compensation Table also revised the Stock Awards and Option Awards columns for 2008 and 2007 to reflect the grant date fair value equity-based awards granted in 2008 and 2007, respectively. Please also refer to the table in this Proxy Statement with the title 2009 Grants of Plan-Based Awards.

We made grants of restricted shares to selected NEOs in 2009. For these executives, the Stock Awards column displays the grant date fair value of the restricted shares. Vesting of restricted stock awards is conditioned on the participant s continued employment with us. The awards were made in accordance with the terms of ARRA, and as such, no awards can vest within two years of grant except in the instance of a change in control and full vesting can not occur until the Treasury Department no longer holds any of the preferred shares that we issued to it under the TARP CPP.

In the column Nonequity Incentive Plan Compensation, we disclose the dollar value of all earnings for services performed during the years covering the measurement period pursuant to awards under nonequity incentive plans (i.e. our Value Sharing Plans). Whether an award is included with respect to any particular fiscal year depends on whether the relevant performance measures were satisfied during that fiscal year. For example, payments under our Value Sharing Plans are typically based upon the achievement of financial results over a multi-year period; accordingly, we incorporate payments under the Value Sharing Plans for the fiscal year that includes the last day of the multi-year performance period for which the award was earned, even though such payment is made after the end of such fiscal year.

In the column Change in Pension Value and Nonqualified Deferred Compensation Earnings, we disclose the sum of the dollar value of (1) the aggregate change in the actuarial present value of the NEO s accumulated benefit under all defined benefit pension plans (including supplemental plans) in 2009; and (2) any above-market or preferential earnings on nonqualified deferred compensation.

In the column All Other Compensation, we disclose the sum of the dollar value of:

- perquisites and other personal benefits, or property, unless the aggregate amount of such compensation is less than $10,000;
- all gross-ups or other amounts reimbursed during the fiscal year for the payment of taxes;
- amounts we paid or that become due related to termination, severance, or change in control, if any;
- our contributions to vested and unvested defined contribution plans; and
- any life insurance premiums we paid during the year for the benefit of an NEO.

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SEC rules require us to report perquisites at the aggregate incremental cost to the Company.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Stock Awards ($)**	**Option Awards ($) [1]**	**Nonequity Incentive Plan Compen-sation ($)[2]**	**Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[3][4]**	**All Other Compensation ($)**	**Total ($)**
Harris H. Simmons	2009	875,000	0	437,493	0	0	51,059	9,800[5]	1,373,352
Chairman, President and Chief Executive Officer Zions	2008	875,000	0	0	441,210	0	34,337	149,379	1,499,926
Bancorporation	2007	850,000	0	0	639,180	0	15,763	93,018	1,597,961
Doyle L. Arnold	2009	542,000	0	270,996	0	0	96,655	9,800[6]	919,451
Vice Chairman and Chief Financial Officer	2008	542,000	0		1,230,360	0	0	86,095	1,858,455
Zions Bancorporation	2007	520,000	420,000		518,580	0	1,174	59,356	1,519,110
Paul B. Murphy, Jr.	2009	544,000	0	271,992	0	0	0	17,388[7]	833,380
Former Chief Executive Officer; Director Amegy Bank	2008	544,000	477,000	1,399,000	1,343,925	0	0	509,835	4,273,760
N.A.	2007	525,000	515,000	0	379,890	0	0	526,623	1,946,513
A. Scott Anderson	2009	518,000	0	258,997	0	0	49,015	51,244[8]	877,256
President and Chief Executive Officer Zions First National	2008	518,000	275,000	0	602,805	0	43,004	192,513	1,631,622
Bank	2007	500,000	375,000	0	385,920	0	27,533	104,862	1,393,315
David E. Blackford	2009	497,000	0	248,493	0	0	14,796	19,404[9]	779,693
Chief Executive Officer	2008	497,000	200,000	0	675,345	0	11,600	96,169	1,480,114
California Bank & Trust	2007	480,000	256,500	0	337,680	0	7,914	73,298	1,155,392
George M. Feiger	2009	474,000	0	236,993	0	0	0	9,800[10]	720,793
Chief Executive Officer	2008	474,000	120,000	0	194,168	0	0	25,278	813,446
Contango Capital Advisors Inc.	2007	460,000	240,000	0	211,050	0	0	34,256	945,306

(1) For awards of restricted shares and performance shares, the grant date fair value per share is equal to the closing price of our common shares on the date of grant.

(2) For stock options, the grant date fair value is based on certain assumptions that we explain in footnote 17 Share Based Compensation to our financial statements, which are included in our Annual Report on Form 10-K for the year ending December 31, 2009.

(3) The net change in the accumulated present value of pension benefits for each NEO during 2009 was: Mr. Simmons, $51,059; Mr. Anderson, $49,015; and Mr. Blackford, $14,796.

(4) Amounts deferred by participants in the Deferred Compensation Plan are invested by the Company in various investment vehicles at the direction of the participant. The Company does not guarantee any rate of return on these investments. The array of investment vehicles includes publicly available mutual funds as well as publicly traded common and preferred share securities of the Company. The table above treats changes in market values on these investments in excess of the Company s dividend yield and 120% of the Adjusted Federal Rate, respectively, as above-market or preferential, as required by SEC rules. Mr. Arnold was the only NEO to have such earnings during the most recent fiscal year, in the amount of $96,655. Mr. Murphy did not participate in the Company s Deferred Compensation Plan as of December 31, 2009.

(5) All other compensation for Mr. Simmons consists of the Company s matching contributions to the tax-qualified defined contribution plans totaling $9,800.

(6) All other compensation for Mr. Arnold consists of $9,800 in Company matching contributions to the tax-qualified defined contribution plans.

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(7) All other compensation for Mr. Murphy consists of a $6,750 annual car allowance; a tax gross-up of $838 to cover the taxes due related to annual club membership dues; and $9,800 in matching contributions to the Company s tax-qualified defined contribution plans.

(8) All other compensation for Mr. Anderson is comprised of $9,800 in Company matching contributions to the tax-qualified defined contribution plans; and $41,444 in contributions to the Company s nonqualified Excess Benefit Plan, arising from his grandfathered status under the Company s supplemental pension plan

(9) All other compensation for Mr. Blackford consists of a $9,000 annual car allowance; a tax gross-up of $604 to cover the taxes due related to annual club membership dues; and $9,800 in matching contributions to the Company s tax-qualified defined contribution plans.

(10) All other compensation for Mr. Feiger is comprised of $9,800 in Company matching contributions to the tax-qualified defined contribution plans.

2009 Grants of Plan-Based Awards

In this table, we provide information concerning each grant of restricted shares to an NEO in the most recently completed fiscal year. In 2009, no share options or performance share awards were granted. Long-term compensation is discussed in greater detail in this Proxy Statement under the caption, Compensation Discussion and Analysis. In the last column, we report the grant date fair value of all awards made in 2009.

				Estimated Future Payouts Under Equity Incentive Plan Awards						
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Name	Grant Type	Equity Award Grant Date	Units Awarded (#)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Stock or Stock Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/sh)	Grant Date Fair Value of Shares and Option Awards ($)
Harris H. Simmons	Restricted Stock[1]	6/2/2009					29,863			437,493
Doyle L. Arnold	Restricted Stock[1]	6/2/2009					18,498			270,996
Paul B. Murphy, Jr.	Restricted Stock[1]	6/2/2009					18,566			271,992
A. Scott Anderson	Restricted Stock[1]	6/2/2009					17,679			258,997
David E. Blackford	Restricted Stock[1]	6/2/2009					16,962			248,493
George M. Feiger	Restricted Stock[1]	6/2/2009					16,177			236,993

(1) Restricted Shares were granted under the Zions Bancorporation 2005 Stock Option and Incentive Plan. The awards were made consistent with the requirements of ARRA, and as such, no awards can vest within two years of grant except in the instance of death, disability or a change in control and full vesting cannot occur until the Treasury Department no longer holds any of the preferred shares we issued to it under the TARP CPP. Once the TARP restrictions no longer apply, the restricted shares vest 25% per year on the anniversary of the grant date, until the final tranche vests on the fourth anniversary subject to the following sentence. In the event of a change in control of the Company as defined in the plan, the restricted shares fully vest. All unvested shares are forfeited upon a termination of employment for any reason. During the vesting period, shares receive voting rights but do not pay dividends.

Outstanding Equity Awards at Fiscal Year-End 2009

The following table provides information concerning outstanding options, restricted shares, and performance shares that have not vested for each NEO as of the end of our most recently completed fiscal year. Each outstanding award is represented by a separate row that indicates the number of securities underlying the award.

For option awards, the table discloses the exercise price and the expiration date. For share awards, the table provides the total number of shares that have not vested and the aggregate market value of shares that have not vested.

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We computed the market value of the share awards by multiplying the closing market price of our common shares at the end of the most recent fiscal year by the number of shares or units of shares.

	Option Awards				Stock Awards			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name	Number of Securities Underlying Unexercised Options(#) Exercisable	Number of Securities Underlying Unexercised Options(#) Unexercisable[1]	Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)[2]	Market Value of Shares or Units of Stock That Have Not Vested ($)[3]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[3]
Harris H. Simmons	38,319	0	42.00	01/21/2010	29,863	383,142		
	20,300	0	48.02	04/24/2010				
	61,000	0	56.59	04/29/2011				
	53,000	0	70.79	05/05/2012				
	51,500	0	81.15	04/30/2013				
	35,333	17,667	83.25	05/03/2014				
	25,666	51,334	47.29	04/23/2015				
	285,118	**69,001**			**29,863**	**383,142**		
Doyle L. Arnold	28,000	0	42.00	01/21/2010	18,498	237,329		
	14,000	0	48.02	04/24/2010				
	42,000	0	56.59	04/29/2011				
	36,000	0	70.79	05/05/2012				
	40,750	0	81.15	04/30/2013				
	28,666	14,334	83.25	05/03/2014				
	22,333	44,667	47.29	04/23/2015				
	47,500	142,500	27.98	08/14/2015				
	259,249	**201,501**			**18,498**	**237,329**		
Paul B. Murphy, Jr.	11,698	0	30.95	04/27/2010	18,566	238,202	50,000	641,500
	846	0	64.17	01/02/2011				
	3,186	0	43.30	03/13/2011				
	1,128	0	48.57	01/01/2012				
	2,308	0	43.32	02/06/2012				
	31,360	0	51.13	06/04/2012				
	564	0	46.37	01/02/2013				
	9,407	0	48.67	06/25/2013				
	14,111	0	67.12	06/25/2014				
	16,620	0	58.26	05/18/2015				

	24,000	0	75.85	12/02/2012				
	40,500	0	81.15	04/30/2013				
	21,000	10,500	83.25	05/03/2014				
	16,500	33,000	47.29	04/23/2015				
	0	238,000	27.98	08/14/2015				
	193,228	**281,500**			**18,566**	**238,202**	**50,000**	**641,500**

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	Option Awards				Stock Awards			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name	Number of Securities Underlying Unexercised Options(#) Exercisable	Number of Securities Underlying Unexercised Options(#) Unexercisable[1]	Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)[2]	Market Value of Shares or Units of Stock That Have Not Vested ($)[3]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[3]
A. Scott Anderson	10,834	0	56.59	04/29/2011	17,679	226,822		
	28,000	0	70.79	05/05/2012				
	27,250	0	81.15	04/30/2013				
	21,333	10,667	83.25	05/03/2014				
	16,666	33,334	47.29	04/23/2015				
	17,750	53,250	27.98	08/14/2015				
	121,833	**97,251**			**17,679**	**226,822**		
David E. Blackford	26,000	0	70.79	05/05/2012	16,962	217,622		
	25,250	0	81.15	04/30/2013				
	18,666	9,334	83.25	05/03/2014				
	14,666	29,334	47.29	04/23/2015				
	23,750	71,250	27.98	08/14/2015				
	108,332	**109,918**			**16,962**	**217,622**		
George M. Feiger	20,000	0	56.59	04/29/2011	16,177	207,551		
	17,500	0	70.79	05/05/2012				
	17,000	0	81.15	04/30/2013				
	11,666	5,834	83.25	05/03/2014				
	8,833	17,667	47.29	04/23/2015				
	2,375	7,125	27.98	08/14/2015				
	77,374	**30,626**			**16,177**	**207,551**		

(1) All unvested options listed above vest at a rate of 33% per year over the first three years of the seven-year option term, except the share options granted on August 15, 2008, to Messrs. Arnold, Anderson, Blackford and Feiger which vest at a rate of 25% per year over four years, with the initial vesting occurring on the first anniversary of the grant and the share options granted on August 15, 2008, to Mr. Murphy which vest at a rate of 25% per year over four years with the initial vesting occurring on February 1, 2010.

(2) All unvested shares represent restricted stock granted under the Zions Bancorporation 2005 Stock Option and Incentive Plan. The awards are subject to the provisions of TARP, and as such no awards can vest within 2 years of grant except in the instance of death, disability or a change in control and full vesting can not occur until the TARP funding has been repaid. Once the TARP restrictions have been satisfied, the restricted stock vests 25% per year on the anniversary of the grant date, until the final tranche vests on the fourth anniversary. In the event of a change in control of the Company as defined in the plan, the restricted stock fully vests. All unvested shares are forfeited upon a termination of employment for any reason. During the vesting period, shares receive voting rights.

(3) Based on closing market price of Monday, December 31, 2009, of $12.83 per share.

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Option Exercises and Stock Vested in 2009

The following table provides information concerning exercises of share options and vesting of restricted shares during the most recently completed fiscal year for each of the NEOs on an aggregate basis. The table reports the number of securities for which the options were exercised; the aggregate dollar value realized upon exercise of options; the number of shares that have vested; and the aggregate dollar value realized upon vesting of shares.

	Option Awards		Stock Awards	
(a)	(b)	(c)	(d)	(e)
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(1)
Harris H. Simmons	0	0	0	0
Doyle L. Arnold	0	0	275	4,428
Paul B. Murphy, Jr.	0	0	0	0
A. Scott Anderson	0	0	0	0
David E. Blackford	0	0	0	0
George M. Feiger	0	0	0	0

(1) We computed the aggregate dollar amount realized upon vesting by multiplying the number of shares by the market value of the underlying shares on the vesting date.

2009 Pension Benefits Table

The following table provides information with respect to each plan that provides for payments or other benefits at, following, or in connection with retirement. This includes tax-qualified defined benefit plans and supplemental executive retirement plans, but does not include defined contribution plans (whether tax qualified or not).

Values reflect the actuarial present value of the NEO s accumulated benefit under the plans, computed as of December 31, 2009. In making such a calculation, we relied on interest rate and mortality rate assumptions consistent with those used in our financial statements.

Name	Plan Name	Number of Years of Credited Service(1)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year
Harris H. Simmons	Cash Balance Pension Plan	21.46	369,634	0
	Supplemental Executive Retirement Plan	21.46	304,990	0
A. Scott Anderson	Cash Balance Pension Plan	19.00	284,231	0
	Supplemental Executive Retirement Plan	19.00	312,011	0
David E. Blackford	Cash Balance Pension Plan	5.00	46,502	0
	Supplemental Executive Retirement Plan	5.00	193,151	0

(1) The Zions Bancorporation Pension Plan was frozen on December 31, 2002. As of that date, Messrs. Simmons and Blackford did not meet the age requirement to continue receiving service credits under this Plan. Accordingly, Mr. Simmons service credits remain at 21.46 years and Mr. Blackford s service credits remain at 5.00 years. Mr. Anderson did meet the age and service requirements under this Plan to continue

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receiving service credits when this Plan was frozen. As a result, there is no difference between Mr. Anderson s years of service with the Company and the number of years of service credit under this Plan.

Messrs. Arnold, Murphy, and Feiger are not eligible to participate in the Company s defined benefit retirement programs.

Information regarding the Pension Plan and Supplemental Executive Retirement Plan can be found under the heading Retirement Benefits.

2009 Nonqualified Deferred Compensation Table

The following table provides information with respect to each nonqualified deferred compensation plan. The amounts shown include compensation earned and deferred in prior years, and earnings on, or distributions of, such amounts.

The column, Executive Contributions in Last FY indicates the aggregate amount contributed to such plans by each NEO during 2009.

The column Registrant Contributions in Last FY indicates our aggregate contributions on behalf of each NEO during 2009. Generally, these amounts reflect restoration benefits provided under the Company s Excess Benefit Plan. We also make matching contributions to the qualified 401(k) plan, but that plan is tax qualified and, therefore, we do not include our contributions to it in this table. We include our matching contributions to the tax qualified retirement plans in the All Other Compensation column of the Summary Compensation Table.

The column Aggregate Earnings in Last FY indicates the total dollar amount of the increase (or decrease) in the value of the account from investment returns accrued during 2009, including interest and dividends paid. Such amounts include dividend payments on restricted shares. We pay such amounts to compensate the executive for the deferral, and we do not consider payment of interest and other earnings at market rates to be compensation. We report such amounts as compensation in the Summary Compensation Table only to the extent such earnings were paid at above-market rates as defined by the SEC, and such amounts are shown in a footnote to that table.

The column Aggregate Withdrawals/Distributions reports the aggregate dollar amount of all withdrawals by and distributions to the executive during our last fiscal year. Generally, neither the Withdrawals/Distribution column nor the Aggregate Balance columns represent compensation with respect to our most recently completed fiscal year.

The column Aggregate Balance at Last FYE reports the total balance of the executive s Deferred Compensation Plan and Excess Benefit Plan accounts as of December 31, 2009.

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)[1]	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FY ($)[2]
Harris H. Simmons	0	0	53,816	0	4,825,498
Doyle L. Arnold	0	0	110,346	0	1,106,260
Paul B. Murphy, Jr.	0	0	0	0	0
A. Scott Anderson	0	41,444	(86,478)	0	130,537
David E. Blackford	0	0	42,730	0	2,681,643
George M. Feiger	0	0	(183,895)	0	200,506

(1) Amounts reported in the Aggregate Earnings in Last FY column that have been reported as compensation in the Summary Compensation Table in this proxy statement are as follows: Mr. Arnold, $96,655.

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(2) Amounts reported in the Aggregate Balance at Last FY column that have been reported as compensation in the Summary Compensation Table for previous years are as follows: Mr. Arnold, $96,655.

Potential Payments upon Termination or Change in Control

The following table summarizes the estimated payments to be made under each contract, agreement, plan or arrangement that provides for payments to an NEO at, following, or in connection with any termination of employment including by resignation, retirement, disability or a constructive termination of an NEO, or change in control of the Company or a change in the NEO s responsibilities.

In November 2008, the Company, anticipating participation in the Treasury s TARP CPP, entered into letter agreements with the NEOs and selected other executives. These letter agreements amended the executives benefit plans, arrangements, and agreements to comply with the provisions of the TARP CPP. One result of these amendments was that no golden parachute payments would be allowed while the Treasury holds any of the preferred shares we issued to it under the CPP. Another was that incentive compensation be subject to clawback in certain circumstances.

In early 2009, ARRA was enacted into law and in June 2009 the Treasury issued the Interim Final Regulations under EESA and ARRA. These restrictions do not allow any payment to an NEO or our five next highest compensated employees for the departure for any reason, or any payment due to a change in control, except for payments for services performed or benefits accrued. An exception exists if the departure is due to the employee s death or disability.

For purposes of quantitative disclosure in the following table, and in accordance with SEC regulations, we have assumed that the termination took place on the last business day of our most recently completed fiscal year, and that the price per share of our common shares is the closing market price as of that date, $12.83.

Severance

None of the NEOs has employment agreements that guarantee them employment for any period of time and according to the TARP limitations on parachute payments discussed above, no post-termination payments of salary or severance to these NEOs would be payable under our broad-based severance policy in the event of a reduction-in-force or other applicable consideration pursuant to a Change in Control Agreement.

Accelerated Vesting of Long-Term Incentives

Presently, we provide long-term incentives to the NEOs through time-vested share options and restricted share awards, as well as performance shares. Please also refer to the discussion of long-term incentives above under the heading, Compensation Discussion and Analysis.

Share Options

Under provisions of our share option plans, unvested share options are forfeited by the executive for termination due to any event other than a change in control. In the case of a change of control, all unvested options immediately vest and may be exercised for up to 42 months following the change in control. Under the Interim Final Rule, this accelerated vesting may only occur for services performed or benefits accrued. Therefore, the value attributed to accelerated options as of December 31, 2009, was determined by assuming accelerated vesting through December 31, 2009, and by multiplying the number of vested shares times the difference between the closing price of our common shares on the last day of the fiscal year and the exercise price of the options. Since all share options held by the NEOs are out of the money as of December 31, 2009, no value is reflected in this table. Please refer to the section Compensation Discussion and Analysis for more information about our share options.

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Restricted Shares and Performance Shares

We granted restricted shares to our NEOs in June 2009. These grants were made in conformity with the ARRA, and therefore, do not vest within two years of the grant except in the instance of a change in control. While the Interim Final Regulations limitations on parachute payments are in effect, acceleration of vesting would only occur for services performed or benefits accrued. For the table below, we have assumed pro-rata vesting through December 31, 2009.

Under provisions of Mr. Murphy s performance share agreement, a pro-rata number of unvested awards vest upon death, disability, or a change in control. Upon death or disability, the pro-rated performance shares remain subject to the performance goals of the agreement. As of December 31, 2009, the performance goals under the agreement had not been met. Accordingly, no value is reflected in the table under these circumstances. Upon a change in control, the pro-rated shares vest regardless of whether the performance goals have been attained. The table below reflects the pro-rated vesting of unvested shares upon a change in control. All unvested shares would be forfeited upon the termination of employment for any other reason.

Retirement Plans

All of our NEOs are fully vested in all of their retirement benefits. While the TARP limitations on parachute payments are in effect, retirement benefits are not enhanced based on circumstances regarding termination, as described under the headings Compensation Discussion and Analysis and Change in Control Agreements. We report additional information regarding our retirement plans above under the headings, Compensation Discussion and Analysis and 2009 Pension Benefits Table, and in the 2009 Nonqualified Deferred Compensation Table.

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Miscellaneous Benefits

As noted above, the letter agreements that we entered into with our NEOs amended our Change in Control Agreements to comply the Interim Final Regulations limitations on parachute payments. No payments can be payable upon a change in control while the Interim Final Regulations apply to us. These agreements are described above under the heading Compensation Discussion and Analysis.

Executive Benefits and Payments Upon Termination	Voluntary Termination ($)	Death or Disability ($)	For Cause Termination ($)	Involuntary Not for Cause or Voluntary Good Reason Termination (without Change in Control) ($)	Involuntary Not for Cause or Voluntary Good Reason Termination (with Change in Control) ($)
Harris H. Simmons					
Severance	0	0	0	0	0
Accelerated Vesting of Long-Term Incentives	0	0	0	0	99,777[(1)]
Retirement Plans	0	0	0	0	0
Other Benefits	0	0	0	0	0
Doyle L. Arnold					
Severance	0	0	0	0	0
Accelerated Vesting of Long-Term Incentives	0	0	0	0	61,805[(1)]
Retirement Plans	0	0	0	0	0
Other Benefits	0	0	0	0	0
Paul B. Murphy, Jr.					
Severance	0	0	0	0	0
Accelerated Vesting of Long-Term Incentives	0	0	0	0	396,146[(1)]
Retirement Plans	0	0	0	0	0
Other Benefits	0	0	0	0	0
A. Scott Anderson					
Severance	0	0	0	0	0
Accelerated Vesting of Long-Term Incentives	0	0	0	0	59,068[(1)]
Retirement Plans	0	0	0	0	0
Other Benefits	0	0	0	0	0
David E. Blackford					
Severance	0	0	0	0	0
Accelerated Vesting of Long-Term Incentives	0	0	0	0	61,805[(1)]
Retirement Plans	0	0	0	0	0
Other Benefits	0	0	0	0	0
George M. Feiger					
Severance	0	0	0	0	0
Accelerated Vesting of Long-Term Incentives	0	0	0	0	54,050[(1)]
Retirement Plans	0	0	0	0	0
Other Benefits	0	0	0	0	0

(1) These figures represent the value of the pro-rated vesting of stock options, restricted and performance shares. Since all stock options are out of the money as of December 31, 2009, only the value of pro-rated vesting of

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restricted shares and performance shares is displayed. While the Interim Final Regulations limitations on parachute payments are in effect, acceleration of vesting would only occur for services performed or benefits accrued. For purposes of this table, we have assumed pro-rata vesting through December 31, 2009.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Ordinary Course Loans

Certain directors and executive officers and corporations and other organizations associated with them and members of their immediate families were customers of and had banking transactions, including loans, with banking subsidiaries of the Company in the ordinary course of business during 2009. Such loans were made on substantially the same terms, including interest rates and collateral, as those available at the time for similar transactions with other persons. These loans did not involve more than the normal risk of collection or have other unfavorable features.

Related Party Transactions Policy

In January 2007, the Board approved a Related Party Transaction Policy. This policy requires the Nominating and Corporate Governance Committee to approve or ratify any transaction between the Company and any executive officer or director, as well as 5% or greater shareholders and certain family members of any of the foregoing that would need to be disclosed pursuant to Item 404(a) of the SEC s Regulation S-K. Ordinary course loans having the characteristics described under the heading Ordinary Course Loans, are to be reviewed, approved or ratified in accordance with the policies and procedures of the Company and its subsidiaries for extensions of credit covered by Regulation O of the Board of Governors of the Federal Reserve System. The only transactions occurring in 2009 for which disclosure was required under Item 404(a) were ordinary course loans, all of which were made in accordance with the Company s Regulation O policies and procedures.

COMPENSATION OF DIRECTORS

Our Board of Directors establishes director compensation. The Executive Compensation Committee, with the assistance of outside consultants, periodically reviews the amount and composition of director compensation and makes recommendations to the Board.

Cash Compensation

Each of our outside directors receives a $35,000 annual retainer and $1,500 for each regular and special meeting that they attend. Members of the committees receive $1,250 for each committee meeting they attend. The Chairman of the Audit Committee receives an additional $15,000 annual retainer and the other members of the Audit Committee receive an additional $3,000 annual retainer. The Chair of each of the other standing committees receives an additional $7,500 annual retainer. Each of the retainer and meeting fees are paid in cash unless the director elects to defer his or her compensation as described below. Directors who are full-time compensated employees of the Company do not receive either the retainer or any other compensation for attendance at meetings of the Board or its committees.

Director Stock Program

Nonemployee directors were granted restricted shares in 2009. The number of restricted shares was determined by dividing $70,000 by the closing price of Zions Bancorporation common stock on the grant date and rounding down to the nearest share.

Deferred Compensation Plan for Nonemployee Directors

We maintain a Deferred Compensation Plan for directors, pursuant to which a director may elect to defer receipt of all or a portion of his or her compensation until retirement or resignation from the Board of Directors. Amounts deferred are held in a rabbi trust and invested in either a guaranteed income investment fund or our common shares based upon the director s election, subject to plan limitations. Settlement is made only in cash by check, unless in our sole discretion we determine to make a distribution in kind (or partly in kind and partly in cash), and is based on the current market value of the account.

Mr. Heaney serves as a member of the board of directors of Amegy Bank N.A., a subsidiary of the Company, which also maintains a deferred compensation plan for Amegy Bank directors, pursuant to which a director may elect to receive all or a portion of his or her compensation in our common shares and defer receipt of such shares until retirement or resignation from the Board of Directors, or a date designated by the director at the time of deferral. Amounts deferred are held in a rabbi trust and invested in our common shares, subject to plan limitations. Settlement is made only in our common shares. Mr. Heaney s 2009 compensation as a member of Amegy Bank s board of directors is reported in the table below in the column All Other Compensation.

2009 Director Summary Compensation Table

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Name[1]	**Fees Earned or Paid in Cash ($)**	**Stock Awards ($)** [2]	**Option Awards ($)**	**Change in Pension Value and Deferred Compensation Earnings ($)**	**All Other Compensation ($)**	**Total ($)**
Jerry C. Atkin	75,500	69,998	0	0	0	
R.D. Cash	71,250	69,998	0	0	0	
Patricia Frobes	77,750	69,998	0	0	0	
J. David Heaney	87,000	69,998	0	0	14,536	
Roger B. Porter	71,500	69,998	0	0	0	
Stephen D. Quinn	99,000	69,998	0	0	0	
L. E. Simmons	58,750	69,998	0	0	0	
Steven C. Wheelwright	71,250	69,998	0	0	0	
Shelley Thomas Williams	79,500	69,998	0	0	0	

(1) Harris H. Simmons, the Company s Chairman, President and Chief Executive Officer is not included in this table as he is an employee of the Company and thus receives no compensation as a director. His compensation as an employee of the Company is shown in the Summary Compensation Table section on page 32.

(2) These figures represent the grant date fair value of the restricted shares granted during 2009.

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PRINCIPAL HOLDERS OF VOTING SECURITIES

The following table sets forth as of March 24, 2010, the record and beneficial ownership of the Company s common shares by the principal common shareholders (5% or more) of the Company.

Name and Address	Type of Ownership	Common Stock No. of Shares	% of Class
Wells Fargo and Company 420 Montgomery Street San Francisco, CA 94104	Beneficial	11,932,340	7.55%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	Beneficial	11,236,067	7.11%
FMR LLC 82 Devonshire Street Boston, MA 02109	Beneficial	8,480,892	5.36%
Lord, Abbett & Co. LLC 90 Hudson Street Jersey City, NJ 07302	Beneficial	8,308,178	5.25%

The following table shows the beneficial ownership, as of March 24, 2010, of the Company s shares by each of our directors, NEOs, and all directors and executive officers as a group. The information below includes, where applicable, shares underlying options that are exercisable within 60 days of March 24, 2010.

Directors and Officers	Common Shares Beneficially Owned	% of Class	Series A Floating-Rate Non-Cumulative Perpetual Preferred[3]	9.50% Series C Non-Cumulative Perpetual Preferred[3]
A. Scott Anderson	203,805 [1]	Less than 1%		
Doyle L. Arnold	309,727 [1]	Less than 1%		5,500
Jerry C. Atkin	60,978	Less than 1%		
David E. Blackford	172,137 [1]	Less than 1%		
R. D. Cash	91,657	Less than 1%		6,000
George M. Feiger	127,284 [1]	Less than 1%		
Patricia Frobes	37,678	Less than 1%		12,000
J. David Heaney	80,270	Less than 1%		
Roger B. Porter	83,717	Less than 1%		
Stephen D. Quinn	39,455	Less than 1%		
Harris H. Simmons	2,845,011 [1,2]	1.77%		16,500

L. E. Simmons	2,432,693 (2)	1.52%		155,880
Shelley Thomas Williams	36,678	Less than 1%		
Steven C. Wheelwright	39,176	Less than 1%		
All directors and officers as a group (29 persons)	6,330,460	3.95%	1,000	209,146

(1) Totals include non-voting salary stock units as described on page 21. The number of salary stock units held as part of the totals for the persons set forth above as of March 24, 2010, were as follows: Mr. Anderson, 1,594 shares; Mr. Arnold, 2,125 shares, Mr. Blackford, 1,340 shares; Mr. Feiger, 924 shares; and Mr. Simmons, 2,790 shares. The total of all non-voting salary stock units held by all directors and officers as a group (29 persons) is 17,683 shares.

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(2) Totals include 1,814,488 shares attributed to each individual through serving as a director in a company holding such shares. Although each of L.E Simmons and Harris Simmons is attributed ownership of the full number of shares shown, each such person owns 1/6th of the company holding such shares.

(3) Number of depositary shares, each representing 1/40 of one preferred share. Except under limited circumstances, the preferred shares are non-voting**.**

Proposal 1: NOMINATION AND ELECTION OF DIRECTORS

The following three persons are nominated for election as directors for a one year term. Biographical information for each of the nominees is set out in the section entitled Our Board of Directors Director Nominees at page 3 of this Proxy Statement. Until their successors are elected and qualified, the nominees will, together with other directors presently in office, constitute our entire elected Board of Directors:

Roger B. Porter

L.E. Simmons

Steven C. Wheelwright

The Board of Directors unanimously recommends that shareholders vote FOR the election

of the nominees for director listed above.

We will vote the proxies that we receive **FOR** the election of nominees for director named above unless otherwise indicated on the proxies. If any of the nominees is unable or declines to serve, an event which management does not anticipate, proxies will then be voted for a nominee who will be designated by the present Board of Directors to fill such vacancy. Each nominee for a directorship will be elected to a full one-year term if he receives more for votes than against votes. If a nominee fails to receive such a majority of votes, except when there are more candidates for election than the number of directors to be elected, he or she will be elected to a term of office ending on the earlier of 90 days after the day on which we certify election results and the day on which a person is selected by the Board to fill the office held by such director.

Proposal 2: AMENDMENT TO RESTATED ARTICLES OF INCORPORATION

The Board recommends that shareholders vote **FOR** approval of an amendment to our Restated Articles of Incorporation that will increase the number of our authorized preferred shares from 3,000,000 shares to 4,400,000 shares. The amendment would also increase the total number of our authorized capital shares by an equal amount, from 353,000,000 shares to 354,400,000 shares. The amendment would not change the number of our authorized common shares. A copy of the proposed amendment is set forth in Annex 1 to this Proxy Statement.

As described in more detail below, the Board recommends approval of the amendment in order to replenish the number of authorized and undesignated and unissued preferred shares available for issuance by the Company and to provide the Company with additional flexibility as it evaluates capital-raising and refinancing alternatives, including the possible redemption of the Series D preferred shares which we issued to the U.S. Treasury Department under TARP. Of the 3,000,000 currently authorized preferred shares, as of December 31, 2009, a total of 2,940,000 shares had been designated as Series A, Series C, or Series D preferred and, of those designated shares, a total of 1,578,340 shares were issued and outstanding. Thus, under current circumstances, the Company would be unable, for example, to refinance the Series D preferred shares through the issuance of a new series of preferred shares with the same liquidation preference as outstanding preferred shares.

Board Right to Designate Rights and Preferences for Preferred Shares

Under the terms of our Restated Articles of Incorporation, the Board is vested with the authority to establish one or more series of preferred shares and to fix and determine the variations in the relative rights and preferences of the preferred shares of any series it establishes, including, without limitation, the following:

(i) the rate of dividend and whether dividends shall be cumulative, noncumulative, or partially cumulative;

(ii) the price and terms on which the preferred shares may be redeemed;

(iii) the amount payable with respect to the preferred shares in event of involuntary liquidation;

(iv) the amount payable with respect to the preferred shares in event of voluntary liquidation;

(v) sinking fund provisions for the redemption or purchase of the preferred shares;

(vi) the terms and conditions on which the preferred shares may be converted to the Company s other securities; and

(vii) such other variations in the relative rights and preferences of the preferred shares that at the time of the establishment of such series are not prohibited by law or the Company s existing contractual obligations.

The Board is also authorized to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of that series. Under our Restated Articles of Incorporation, our preferred shares are without any par value.

Rights of Designated Preferred Shares

The Company, acting through our Board of Directors, has designated three series of preferred shares, Series A preferred shares, Series C preferred shares, and Series D preferred shares, consisting of 140,000 designated shares, 1,400,000 designated shares and 1,400,000 designated shares, respectively, as of December 31, 2009. Each series has a liquidation preference of $1,000 per share. Of the designated shares, 67,952 Series A preferred shares, 110,388 Series C preferred shares, and 1,400,000 Series D shares were outstanding as of December 31, 2009. The Series A and Series C preferred shares were issued in the form of depositary shares, in which each depositary share represents 1/40th ownership interest in a preferred share. As of December 31, 2009, an additional 1,289,612 Series C preferred shares were reserved for issuance upon conversion of the Company s convertible subordinated debt, as described below.

The outstanding Series A and Series C preferred shares were originally designated and issued in connection with offerings to the public registered with the SEC. In 2009, the Company modified its outstanding series of subordinated debt by adding a provision that gave the debt holders the right to convert the subordinated debt into depositary shares representing either Series A or Series C preferred shares. Holders of subordinated debt electing not to receive the conversion feature were allowed to exchange their subordinated debt for a new issue of subordinated debt having the same terms as the originally issued subordinated debt. Holders of approximately $1,240,000,000 in principal amount of subordinated debt did not elect to exchange their debt for non-convertible subordinated debt. The modified convertible subordinated debt, if fully exercised, would result in the issuance of approximately 1,240,000 preferred shares. In connection with the modification, the Company increased the number of its designated Series A and Series C preferred shares in order to reserve shares for issuance upon conversion of the modified convertible subordinated debt. As of December 31, 2009, approximately $63.4 million in principal amount of the convertible subordinated debt had been converted into approximately 63,400 Series C preferred shares. In 2009, we also purchased 100,510 Series A preferred shares pursuant to a tender offer. The Series D preferred shares were issued to the Treasury Department in November 2008 in connection with our participation in the TARP Capital Purchase Program.

Dividends on the Series A preferred shares are non-cumulative and are computed at an annual rate equal to the greater of three-month LIBOR plus 0.52%, or 4.0%. Dividends on the Series C preferred shares are non-cumulative and are set at 9.5% per annum. Dividends on the Series D preferred shares are cumulative and are set at 5% per annum initially but increase to 9% on the fifth anniversary of their issuance. Dividends on the Series A, Series C and Series D preferred shares are paid quarterly in arrears. The Series A, Series C and Series D preferred shares rank *pari passu* with one another. Holders of the Series A, Series C, and Series D preferred shares are entitled to receive asset distributions before common shareholders, but such preferred shares have only limited voting rights (generally with respect to certain provisions of the preferred shares, the issuance of senior preferred shares, and, in limited circumstances, the election of directors). We may redeem the Series A, Series C, and Series D preferred shares at our option, subject to certain conditions. The amount that we are required to pay in any such redemption is computed at the per share liquidation preference plus any declared but unpaid dividends.

Reasons for Amendment

Our ability to raise capital in the market is likely to continue to be important as the banking industry recovers from the recent severe market and economic conditions. Our Board believes it is important that we have as much flexibility and as many alternatives as possible as we assess capital-raising and refinancing alternatives, including the possible redemption of the Series D preferred shares that we issued to the U.S. Treasury Department. As noted above, since the initial authorization of the Company s preferred shares, we have used significant portions of our preferred shares for capital-raising or enhancement purposes, leaving us with only 60,000 authorized and undesignated preferred shares. We believe that the limited number of available preferred shares might detract from our ability to utilize preferred shares for financing or refinancing purposes. For illustrative purposes, if, without the amendment becoming effective, the Company desired to issue a new series of preferred shares for the purpose of funding the redemption of its outstanding Series D preferred shares, we would need to either effect a simultaneous exchange or issue the new shares with a large liquidation value that is uncommon in the markets for preferred shares. These terms could make the issuance of new preferred shares less feasible or less attractive to the Company. If, on the other hand, the amendment were approved, the Company would be able to issue a new series of preferred shares having a liquidation preference equal to that of the outstanding series of preferred shares in the manner and at a time the Company determined to be most advantageous, including in advance of the repurchase of the Series D preferred shares. There can be no assurance, however, that we will utilize any new preferred shares authorized by the proposed amendment to repurchase our outstanding Series D preferred shares, or for any other purpose. In addition, if the amendment is not approved, we believe we will still have the ability to utilize our remaining number of preferred shares for substantial capital-raising or refinancing purposes, because of the Board s existing authority to designate and fix the terms of new series of preferred shares, including series having higher liquidation preferences.

Potential Effects of Preferred Share Issuances on Existing Shareholders

To the extent the Board issues additional preferred shares (either from the currently authorized but unissued preferred shares or from any additional preferred shares authorized by our shareholders pursuant to this proposal), the earnings available to common shareholders would likely be reduced and our existing common and preferred shareholders would experience dilution of their ownership interests. The reduction and dilution could be substantial. In addition, since the Board is vested with the authority under our Restated Articles of Incorporation to designate rights and preferences for the preferred shares (without further shareholder approval) that may be different from, or superior to, the rights of existing shareholders, the issuance of additional preferred shares could result in a significant reduction in the voting power of the existing shareholders, the liquidation value of their holdings, the book and market value of existing shares and the future earnings per share of the Company. The sale or resale of the additional securities could also cause the market price of our existing securities to decline. In addition to the foregoing, the increase in the number of issued preferred shares in connection with potential financings may have anti-takeover implications, as more fully discussed below.

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The Board considered the possible negative impact that the increase in the number of issued preferred shares could have on our existing shareholders when it considered this proposal and concluded that any such impact would be outweighed by the potential benefits to the Company and its shareholders resulting from the increase in our available capital.

Possible Anti-Takeover Effects

The proposal to increase the number of authorized preferred shares could adversely affect the ability of third parties to take over the Company or effect a change in the control of the Company by, for example, permitting issuances that would dilute the share ownership of a person seeking to effect a change in the composition of our Board of Directors or contemplating a tender offer or other transaction for our combination with another company that the Board determines is not in our best interests or in the best interests of our shareholders. The ability of the Board of Directors to cause the Company to issue substantial amounts of preferred shares without the need for shareholder approval, except as may be required by law, regulation or share exchange rules, upon such terms and conditions, and with such rights and preferences, as the Board of Directors may determine from time to time in the exercise of its business judgment may, among other things, be used to create voting impediments with respect to changes in control of the Company or to dilute the share ownership of holders of our existing securities that may be seeking to obtain control of the Company. The issuance of preferred shares, while providing desirable flexibility in connection with potential financings and other corporate transactions, may have the effect of discouraging, delaying, or preventing a change in our control.

The Board of Directors does not view the proposed increase in the authorized preferred shares as an anti-takeover measure. Since the Board already has the right to designate the rights and preferences of the authorized but undesignated preferred shares, the Board believes that the authorization of additional preferred shares will not constitute an expansion of the Board s ability, under proper circumstances, to use the preferred shares as an anti-takeover measure.

The Board unanimously recommends that shareholders vote FOR

the amendment of the Company s Restated Articles of Incorporation to authorize

additional preferred shares and capital shares.

The affirmative vote of a majority of votes validly cast for or against the proposal regarding the amendment of our Restated Articles of Incorporation is required for its approval. The Appendix sets forth the text of the Articles of Amendment to our Restated Articles of Incorporation reflecting the increase in the number of authorized shares.

Proposal 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has reappointed the firm of Ernst & Young LLP as the independent registered public accounting firm to audit the financial statements of the Company for the current fiscal year. Services provided to the Company and its subsidiaries by Ernst & Young LLP in fiscal 2009 are described under *Fees of Independent Registered Public Accounting Firm* below. Additional information regarding the Audit Committee is provided in the Report of the Audit Committee.

Representatives from Ernst & Young LLP are expected to be present at the Annual 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 unanimously recommends that shareholders vote FOR the ratification of Ernst & Young LLP as the Company s independent registered public accounting firm for fiscal 2010.

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The affirmative vote of a majority of votes validly cast for or against the proposal is required for adoption of the ratification of the appointment of our independent registered public accounting firm.

Proposal 4: ADVISORY (NONBINDING) VOTE REGARDING 2009 EXECUTIVE COMPENSATION

During the period in which the Treasury Department holds the securities it acquired from us through the CPP, the ARRA requires that we provide shareholders with the right to cast an advisory vote on the compensation of our executives, as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the SEC.

The Board unanimously recommends that shareholders approve the following resolution:

RESOLVED, that the shareholders approve the 2009 compensation of the named executive officers as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC, including the compensation discussion and analysis, the compensation tables, and related material.

The Company s executive compensation programs historically were performance-based with strong long-term performance elements. Treasury Department regulations promulgated under the ARRA and the ESSA required us to modify our executive compensation programs in 2009, reducing the performance-based compensation elements of the programs and the cash-based elements of performance-based compensation. Notwithstanding these required changes, the compensation of our named executive officers for 2009 continued to be strongly and adversely affected by our performance, reflecting the continuation of the Company s general policy of tying compensation to performance. As detailed above in the section entitled Compensation Discussion and Analysis, both the total compensation and annual cash compensation of our named executive officers decreased substantially in 2009 compared to 2008 and was substantially less than institutions within our Custom Peer Group. The Board believes that our modified compensation programs operated in accordance with our compensation philosophy and resulted in the payment of an appropriate level of compensation to our named executive officers in light of our performance in 2009.

The Board unanimously recommends that shareholders vote FOR approval of the 2009

compensation of named executive officers as disclosed in this Proxy Statement pursuant to the

compensation disclosure rules of the SEC.

The affirmative vote of a majority of votes validly cast for or against the resolution is required for approval of the proposal.

As provided by the ARRA, the shareholders vote with respect to executive compensation is advisory and will not be binding upon our Board of Directors. In addition, pursuant to the ARRA, the shareholder vote may not be construed as overriding a decision by our Board of Directors, nor will it create or imply any additional fiduciary duty by our Board of Directors. Our Executive Compensation Committee will, however, take into account the outcome of the vote when considering future executive compensation arrangements.

Proposal 5: SHAREHOLDER PROPOSAL REGARDING POLICY PROHIBITING EMPLOYMENT DISCRIMINATION ON THE BASIS OF SEXUAL ORIENTATION AND GENDER IDENTITY

Patrick Doherty, on behalf of the Comptroller, City of New York, and the boards of Trustees of the New York City Fire Department Pension Fund and New York City Board of Education Retirement System, 1 Centre Street, New York, New York 10007-2341, has advised us that those boards of Trustees intend to present the following resolution at the annual meeting. Mr. Doherty has also informed us that the boards of Trustees are the beneficial owners of not less than $2,000 of the Company s common shares. Information regarding the exact

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share ownership of the proponent is available from the Company at a shareholder s request and without charge. In accordance with applicable proxy regulations, the proposed resolution and supporting statement that was submitted to us on behalf of the boards of Trustees are set forth below in the form in which we received it.

Statement of the Proposing Shareholder

Whereas: Zions Bancorporation does not explicitly prohibit discrimination based on sexual orientation and gender identity in its written employment policy;

Over 88% of the Fortune 500 companies have adopted written nondiscrimination policies prohibiting harassment and discrimination on the basis of sexual orientation, as have more than 98% of the Fortune 100 companies, according to the Human Rights Campaign; over 30% now prohibit discrimination based on gender identity;

We believe that corporations that prohibit discrimination on the basis of sexual orientation and gender identity have a competitive advantage in recruiting and retaining employees from the widest talent pool;

According to a June, 2008 survey by Harris Interactive and Witeck-Combs, 65% of gay and lesbian workers in the United States reported facing some form of job discrimination related to sexual orientation; an earlier survey found that almost one out of every 10 gay or lesbian adults also reported that they had been fired or dismissed unfairly from a previous job, or pressured to quit a job because of their sexual orientation;

Twenty states, the District of Columbia and more than 160 cities and counties, have laws prohibiting employment discrimination based on sexual orientation; 12 states and the District of Columbia have laws prohibiting employment discrimination based on sexual orientation and gender identity;

Minneapolis, San Francisco, Seattle and Los Angeles have adopted legislation restricting business with companies that do not guarantee equal treatment for gay and lesbian employees;

Our company has operations in, and makes sales to institutions in states and cities that prohibit discrimination on the basis of sexual orientation;

National public opinion polls consistently find more than three quarters of the American people support equal rights in the workplace for gay men, lesbians and bisexuals; for example, in a Gallup poll conducted in May, 2007, 89% of respondents favored equal opportunity in employment for gays and lesbians;

Resolved: The Shareholders request that **Zions Bancorporation** amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity or expression and to substantially implement the policy.

Supporting Statement: Employment discrimination on the basis of sexual orientation and gender identity diminishes employee morale and productivity. Because state and local laws are inconsistent with respect to employment discrimination, our company would benefit from a consistent, corporate wide policy to enhance efforts to prevent discrimination, resolve complaints internally, and ensure a respectful and supportive atmosphere for all employees. Zions Bancorporation will enhance its competitive edge by joining the growing ranks of companies guaranteeing equal opportunity for all employees.

Statement of the Company s Board of Directors

The Board believes this proposal is unnecessary and that our current policies and practices fully achieve the objectives of the proposal. The Company is an equal opportunity employer, is fully committed to complying with all applicable federal, state and local anti-discrimination and other laws and regulations, and has existing

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policies that seek to create a workplace free from discrimination and harassment of any kind. The Company has a zero tolerance policy for any conduct that is intended to or has the effect of creating an intimidating, hostile, or offensive work environment.

The Company s written employment policies prohibit discrimination on the basis of race, color, religion, sex, age, national origin, disability or any other legally protected status, and explicitly mirror the nondiscrimination categories of federal law. The written policies also require compliance with additional protections afforded by state and local laws where applicable. The Company s employment policy provides, in part that:

The Company reaffirms its policy of providing Equal Employment Opportunity (EEO), by extending equal employment and advancement opportunities to all employees and applicants for employment, without regard to race, color, religion, age (40 and over), sex, pregnancy, gender, disability, national origin, ethnic background, citizenship, veteran status or any other characteristic protected by applicable law. This policy is established and administered in accordance with all applicable federal, state, and local laws.

State laws also prohibit discrimination and harassment based on certain protected characteristics. Some of the relevant state-protected characteristics include: marital status (Washington, Oregon and California); marriage to a co-employee (Colorado); sexual orientation (Washington, Nevada, California); expunged juvenile record (Oregon); genetic disorder, testing, or status (Oregon, Colorado, Utah, Nevada, California); nepotism, except in line of supervision (Oregon); medical condition (California); family care leave status (California); gender identity (California); and disability (California has a broader definition of disability than does federal law).

The Company s nondiscrimination policy applies to all areas of its employment practices, including, hiring and recruitment, training, promotion, transfer, demotion, counseling and discipline, employee benefits, compensation, and termination of employment.

In addition, the Company is of the view that legislative bodies, rather than individual businesses, should determine the classes of persons that should be entitled to legal protection from discrimination and the manner in which such protections should be afforded. This is partly because the Company believes the political process is best suited for such determinations and partly because the Company does not believe it is appropriate for it, independently, to afford special status to some, but not all, classes that might be benefitted by special protection. For example, if a specific policy is adopted addressing sexual orientation and gender identity, should specific policies also be adopted with respect to obesity, marital status, single parenthood and other areas of concern? On what basis is the Company to single out some, but not all, concerned classes or to identify all classes that might be desirous of special protection? In addition, the Company notes that any company that expands the classes of persons to which it affords special, explicit protection will likely incur greater compliance costs and the risk of increased litigation, some of which may be frivolous or vexatious.

For the reasons discussed above, the Board believes that it should maintain its current approach of affording explicit protection from discrimination only to classes of persons entitled to such protection under applicable laws and regulations, while at the same time pursuing the general goal of maintaining a nondiscriminatory, inclusive, and non-hostile workplace.

If this shareholder proposal is properly proposed by a shareholder proponent at the Annual Meeting,

the Board unanimously recommends that shareholders

vote AGAINST the proposal.

If the proposal is properly proposed by a shareholder proponent at the Annual Meeting, the affirmative vote of a majority of votes validly cast for or against the proposal is required for its approval. Such approval would not, by itself, require the Board to adopt a policy prohibiting employment discrimination on the basis of

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sexual orientation or gender identity; however, if shareholders approve the proposal, the Board would consider adopting such a policy. If the proposal is not properly presented by a proponent at the Annual Meeting, it will not be voted upon.

Proposal 6: SHAREHOLDER PROPOSAL REGARDING POLICY FOR THE SEPARATION OF THE POSITIONS OF CHAIR OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Millicent Budhai, on behalf of the Comptroller, City of New York, and the boards of Trustees of the New York City Employees Retirement System, the New York City Teachers Retirement System & New York City Police Pension Fund, 1 Centre Street, New York, New York 10007-2341, has advised us that those boards of Trustees intend to present the following resolution at the annual meeting. Ms. Budhai has also informed us that the boards of Trustees are the beneficial owners of not less than $2,000 of the Company s common shares. Information regarding the exact share ownership of the proponent is available from the Company at a shareholder s request and without charge. In accordance with applicable proxy regulations, the proposed resolution and supporting statement submitted to us on behalf of the boards of Trustees are set forth below in the form we received it.

Statement of the Proposing Shareholder

Whereas: The Board of Directors of a company is meant to be an independent body, elected by, and accountable to, shareholders;

Whereas: The Board of Directors is charged by law with the duty, authority, and responsibility to formulate and direct corporate policies that serve the interests of the shareholders;

Whereas: The Chair of the Board of Directors is charged with overseeing the Board, with a central role in the Board s selection, independent oversight, and evaluation of the company s chief executive officer (CEO);

Whereas: In order to avoid conflict-of-interests, and to ensure the independent oversight of the CEO, the Chair of the Board of Directors should not be a current or former employee of the company;

RESOLVED: Shareholders request that the Board of Directors adopt a policy to separate the positions of Chair of the Board of Directors and CEO, and that the Chair of the Board of Directors shall be an independent director, who is not a former or current employee of the company. The policy should allow for departure under extraordinary circumstances, such as the unexpected resignation of the Chair.

The recent economic and banking crisis raises the issue of whether boards of directors are providing adequate and effective oversight of management, and protecting the interests of shareholders. The combination of the positions of Chair of the Board of Directors and CEO at a number of the weakened companies has given rise to deep concerns about whether the independent oversight of such boards was compromised by the influence of the CEOs.

While the management of the company is the purview of the CEO, the Board of Directors is obligated to independently oversee the CEO and management, and to protect the interests of the shareholders. Combining the positions of CEO and Chair of the Board of Directors potentially undermines the independence of the Board of Directors and creates the environment for negative impacts of conflicting interests. As companies move forward beyond the crisis, boards of directors need to be more vigilant and active in adopting, and ensuring compliance with, policies to avert events of such magnitude and impact.

The existence of the non-executive Chair of the Board of Directors is the norm in many countries outside the United States over 79% of large British companies and all German and Dutch companies have split the positions (Millstein Center for Corporate Governance), and support for this reform is growing in the United

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States. Approximately 73% of directors on boards with an independent chairperson believe that their companies benefited from the split (Survey, 2008 Public US National Association of Corporate Directors). More that 88% of senior financial executives believe the positions should be separated (Grant Thornton, 2009 Survey).

Statement of the Company s Board of Directors

The Board has considered this proposal and believes its adoption is unnecessary and not in the best interests of the Company or its shareholders.

Our Bylaws and Corporate Governance Guidelines permit but do not require the roles of Board Chairman and Chief Executive Officer to be filled by different individuals. This enables the Board to determine the best leadership structure for the Company from time to time as circumstances may change. As discussed in the section entitled Board of Directors and Corporate Governance Board Leadership Structure above on pages 6 and 7, the Board recognizes that an alternative leadership structure in which the roles of Chairman and Chief Executive Officer are separated has been determined by other companies to be appropriate in their circumstances and that such an alternative structure may be appropriate for the Company in the future. As also discussed in that section, however, the Board believes that the Company and its shareholders are best served at the present time by having Mr. Harris Simmons hold the positions of both Chairman and Chief Executive Officer. The proposal, if adopted, would unnecessarily and unwisely restrict our Board s ability to choose from time to time the best person to serve as Chairman based on the criteria the Board determines to be in the best interest of the Company and its shareholders.

In determining to combine the roles of Chairman and Chief Executive Officer, the Board also considered the potential negative aspects of such a structure, primarily the possibility that Board oversight and independence could be diminished. As discussed in more detail in the section entitled Board Leadership Structure, the Board believes this concern is mitigated by the following factors:

- We have a Presiding Director who shares many responsibilities with the Chairman and helps ensure independent input and involvement by directors.
- Eight of our ten directors are independent.
- Our key Audit, Executive Compensation, and Nominating and Corporate Governance Committees are composed entirely of independent directors.
- Independent directors meet regularly in executive session.

Our Board s current structure of combining the positions of Chairman and Chief Executive Officer is consistent with practices at 61% of the S&P 500 companies, according to the publicly available Spencer Stuart US Board Index 2008 (released November 2008) available at spencerstuart.com. U.S. companies have historically followed a model in which the chief executive officer also serves as chairman of the board. This model has succeeded because it makes clear that the chief executive officer and chairman is responsible for managing the corporation s business, under the oversight and review of the corporation s board. This structure also enables the chief executive officer to act as a bridge between management and the board, helping both to act with a common purpose.

In summary, the Board opposes this proposal because it eliminates the Board s ability to exercise its business judgment and select a chair based on the Company s particular needs at the time of the decision, and because the Board believes the Company already receives substantial oversight from its current board structure and its independent directors.

If this shareholder proposal is properly proposed by a shareholder proponent at the Annual Meeting,

the Board unanimously recommends that shareholders

vote AGAINST the proposal.

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If the proposal is properly proposed by a shareholder proponent at the Annual Meeting, the affirmative vote of a majority of votes validly cast for or against the proposal is required for its approval. Such approval would not, by itself, require the Board to adopt a policy regarding the separation of the positions of Chair and CEO; however, if shareholders approve the proposal, the Board would consider adopting a policy. If the proposal is not properly presented by a proponent at the Annual Meeting, it will not be voted upon.

Proposal 7: SHAREHOLDER PROPOSAL REGARDING AN ANNUAL ADVISORY (NONBINDING) VOTE ON EXECUTIVE OFFICER COMPENSATION

Gerald R. Armstrong, 910 Sixteenth Street, No. 412, Denver, Colorado 80202-2917, has advised us that he intends to present the following resolution at the Annual Meeting. Mr. Armstrong has informed us that he is the beneficial owner of approximately 877 common shares. In accordance with applicable proxy regulations, the proposed resolution and supporting statement are set forth below in the form that we received it:

Statement of the Proposing Shareholder

RESOLUTION

That the shareholders of ZIONS BANCORPORATION request its Board of Directors to adopt a policy that provides shareholders the opportunity at each annual meeting to vote on an advisory resolution, prepared by management, to ratify the compensation of named-executive officers listed in the proxy statement s Summary Compensation Table.

The proposal submitted to shareholders should clearly state that the vote is non-binding and would not affect any compensation paid or awarded to any named executive officer.

As a shareholder, I am concerned about the levels of compensation afforded our top management at times when lower earnings have cause the reduction of shareholders dividend to just a penny a share.

The following table summarizes compensation paid our executives:

	2008	**2007**	**2006**	**2004**
Harris H. Simmons	$ 1,718,055	$ 1,698,239	$ 2,296,100	$ 1,489,955
Doyle L. Arnold	1,278,429	1,570,494	1,503,874	701,060
Paul Murphy	2,311,493	1,983,627	1,813,025	
Scott McLean	1,661,036	1,470,650	1,372,217	
A. Scott Anderson	1,445,242	1,409,262		782,211

The fall-out of the off balance sheet Lockhart Funding continues but our directors do not seem to recoup or clawback any past compensation or bonuses. TIME IS THE TEST OF VALUE? and it appears directors are rewarding poor performance.

In the forty-six pages of discussion on compensation in the proxy statement, it lists Semler Brossy, LLC as the independent compensation consultant and the peer banks used in its comparisons of compensation.

As noted by former CEO Jerry Levin of Time Warner, I think it is time to relook at exactly how CEOs are paid. He blasted compensation consultants for making salary decisions based on another CEO who may not be worth the $10,000,000 he or she is getting.

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Page 14 of last year s proxy statement defines the Compensation Philosophy which states:

to attract and retain talented and experienced executives and,

motivate and reward executives whose knowledge, skills and performance are critical to our success.

The Proponent believes this system is broken!

In addition to salaries and bonuses, Zions compensation plans include:

Value Sharing Plan

Equity-based Awards

Stock Options

Restricted Stock Awards

Supplemental Executive retirement

Deferred Compensation

401(k) Plans

Excess Benefit Plan

Perquisites and Personal Benefits

Nonqualified Deferred Compensation

Employee Stock Option Appreciation Rights

Golden Parachutes

The Special Severance Plan

Gross-Ups for tax payments

Restricted Stock and Performance Shares

Dividend Equivalent Units

There is no doubt that executive compensation lies at the root of the current financial crisis, wrote Paul Hodgson, a senior research associate with The Corporate Library http:www.thecorporatelibrary.com, an independent research firm. There is a direct link between the behaviors that led to this financial collapse and the short-term compensation programs so common in financial services companies that rewarded short-term gains and short-term stock price increases with extremely generous pay levels.

Nell Minow, of The Corporate Library, added: If the board can t get the executive compensation right, it s been shown it won t get anything else right either.

The proponent believes that enough is enough and that at ZIONS enough has become too much and would like to vote on the issue. If you agree, please vote FOR this proposal.

Statement of the Company s Board of Directors

The Board believes that the structure and amount of compensation paid to our senior executives is a legitimate and important matter of concern to shareholders, and that our shareholders views on compensation should be taken into account by the Board and management in structuring our compensation programs and in determining the amounts of compensation to be paid to our senior executives.

Because shareholders and government regulatory agencies have become more concerned about compensation issues in light of recent economic conditions, the Board acted to modify its Corporate Governance Guidelines and the Executive Compensation Committee Charter to provide for a more formal process by which major shareholders may communicate their views about compensation to the Board and management. Under the new guidelines, major shareholders are encouraged to communicate with the Chairman of the Executive Compensation Committee regarding any concerns or suggestions they have regarding the compensation of senior

executives. The Executive Compensation Committee Charter has been amended to provide that one of the functions of the Committee is to evaluate concerns of shareholders regarding executive compensation.

Notwithstanding the importance of compensation issues, the Board does not believe shareholders should vote in favor of the proposed policy of submitting the compensation of our named executive officers to a nonbinding shareholder vote for ratification, a policy commonly known as a say on pay policy, for the reasons discussed below.

As a participant in the United States Treasury Department s TARP Capital Purchase Program, we are required under current SEC rules to submit the compensation of our senior executive officers to our shareholders for ratification (see Proposal 4, at page 49). Because we are now required by law to do what would be required by the proponent s say on pay policy, the Board believes the adoption of the proponent s policy at this time would be redundant and have no benefit to either us or our shareholders.

Even if we were not subject to SEC rules requiring us to submit the compensation of our senior executive officers to our shareholders for ratification, the Board does not believe our executive compensation practices would benefit meaningfully from say on pay votes.

- The Board believes that our compensation policies and practices are, to the extent permitted by Treasury Department regulations binding on participants in the TARP CPP, performance-based and prudent, and that they result in compensation that is reasonable and affected by our long-term performance. As discussed in the section entitled Compensation Discussion and Analysis Overview of 2009 Compensation, our compensation programs have operated in accordance with our compensation philosophy and design, with the result that executive compensation was reduced substantially in 2009 in line with our performance during that fiscal year. Accordingly, the Board believes there is no compelling need for formal shareholder oversight.

- Advocates of advisory votes assert that say on pay policies yield shareholder feedback that would assist a board in ascertaining shareholder sentiment. Given our existing feedback mechanisms and the ability of our shareholders to communicate with the Chairman of the Executive Compensation Committee, our Board does not believe an advisory vote on our senior executives compensation would yield clearer, more actionable information than is already available. A simple up or down vote on compensation matters by shareholders (which is all the proposal would require) would likely provide little useful guidance about the driving force behind the vote. It would, for example, be difficult to discern whether the drivers of the vote were long-term or short-term investors who may well have different perspectives on compensation philosophy or whether the vote was motivated by one aspect of compensation or another, or compensation for one executive or another, or on an entire compensation package for the entire executive team. Understanding these drivers is, of course, critical to evaluating the vote on the compensation and formulating an appropriate response. The Board believes the best and only real way to develop that understanding is the process of dialogue that we currently have in place. Complicating factors include the following:

  - the government s regulation of our executive compensation practices prevents us from designing pay in the manner we believe is most effective, which would make it difficult for us to ascertain whether a no vote reflects shareholder dissatisfaction with governmental requirements or dissatisfaction with other factors;

  - the four-pronged nature of our historic executive compensation structure which involves fixed salary, subjectively determined annual bonuses, multi-year performance compensation, and equity would make it difficult to determine how to respond to a no vote on ratification;

  - our multi-year performance plans, or Value Sharing Plans which cover multiple years but which are paid out only after the multi-year period would be difficult for shareholders to

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assess (for example, confusion could arise if there was poor performance in the reported year of payment but good performance over the plan s multi-year duration);

- the complexity of the Summary Compensation Table and other compensation data contained in the Proxy Statement which is what shareholders would be asked to ratify makes it difficult to determine how to respond to a no vote on ratification (for example, regarding share option compensation received by an executive in a year, the proxy statement covering that year separately discloses the following: the number of option shares granted in that year; the theoretical grant value of the stock options granted that year; and the actual value realized on grants made in any prior year and exercised in the covered year);

- the contractual nature of certain aspects of our compensation arrangements (such as the employment agreements that covered certain of our Amegy Bank subsidiary officers), make it legally or practically impossible for us to withhold payment, even if payment under the contract could lead to a no vote; and

- the normal complexities relating to compensation, such as external competitive and internal equity factors.

- We have adopted corporate governance standards that ensure Board accountability for the decisions the Board makes, including compensation decisions. These standards include our compensation-related Corporate Governance Policy, majority voting for directors and declassification of the Board. Majority voting and board declassification enable shareholders to express dissatisfaction with executive compensation in connection with the reelection of directors, including those serving on the Executive Compensation Committee.

Finally, the Board believes the proponent s statement in support of the proposal is inaccurate and misleading in several material respects:

- Data drawn from compensation information contained in our proxy statements covering 2004 compensation, on the one hand, and subsequent years compensation, on the other hand, is, without adjustment, misleading because of significant changes in the SEC s executive compensation disclosure rules during those periods. For example, the data for 2006, 2007 and 2008 includes the accounting value of equity awards in total compensation, whereas the 2004 data includes only information with respect to number of shares granted. Moreover, 2006 through 2008 total compensation includes changes in pension value and nonqualified deferred compensation earnings, whereas 2004 data does not include these amounts. Because 2004 information does not include the value of equity grants or amounts related to pensions and nonqualified deferred compensation, in order for the comparison amounts to be valid, these amounts should be excluded from the 2006 through 2008 total compensation amounts. This would reduce substantially the compensation of the executives identified by the proponent as follows:

  - Harris Simmons 2009 total adjusted compensation of $884,000, instead of the $1,373,352 shown (a reduction of $488,552); 2008 total adjusted compensation of $1,024,380 instead of the $1,718,055 shown (a reduction of $693,675); 2007 total adjusted compensation of $941,018 instead of the $1,698,239 shown (a reduction of $755,221); 2006 total adjusted compensation of $1,567,810 instead of the $2,296,100 shown (a reduction of $728,290);

  - Doyle Arnold 2009 total adjusted compensation of $551,800, instead of the $919,451 shown (a reduction of $367,651); 2008 total adjusted compensation of $628,095 instead of the $1,278,429 shown (a reduction of $650,334); 2007 total adjusted compensation of $1,019,247 instead of the $1,570,494 shown (a reduction of $551,247); 2006 total adjusted compensation of $984,629 instead of the $1,503,874 shown (a reduction of $519,245);

  - Paul Murphy 2009 total adjusted compensation of $561,388, instead of the $833,380 shown (a reduction of $271,992); 2008 total adjusted compensation of $1,530,835 instead of the

$2,311,493 shown (a reduction of $780,658); 2007 total adjusted compensation of $1,566,618 instead of the $1,983,622 shown (a reduction of $417,004); 2006 total adjusted compensation of $1,546,250 instead of the $1,813,025 shown (a reduction of $266,775);

- Scott McLean 2008 total adjusted compensation of $1,199,403 instead of the $1,661,036 shown (a reduction of $461,633); 2007 total adjusted compensation of $1,214,647 instead of the $1,470,650 shown (a reduction of $256,003); 2006 total adjusted compensation of $1,203,364 instead of the $1,372,217 shown (a reduction of $168,853); and

- Scott Anderson 2009 total adjusted compensation of $569,244, instead of the $877,256 shown (a reduction of $308,012); 2008 total adjusted compensation of $985,514 instead of the $1,445,242 shown (a reduction of $459,729); 2007 total adjusted compensation of $979,862 instead of the $1,409,265 shown (a reduction of $429,400).

- The proponent suggests that the identified executives received excessive compensation that was inappropriate because of our poor financial performance. However, our performance was strong through 2006 and we were profitable in 2007. Thus, the compensation received by the identified individuals for 2006 and 2007 was supported by positive performance. On the other hand, the deterioration of our financial performance in 2008 and through 2009 led to decreased levels of executive compensation in 2009. As discussed elsewhere in this Proxy Statement, the total compensation of each of our NEOs, including Messrs. Simmons and Arnold, for fiscal year 2009 decreased substantially from 2008, 2007 and 2006 levels as a result of our poor performance. Indeed, for Messrs. Simmons, Arnold and Anderson, the only NEOs for whom 2004 proxy compensation information is available, their 2009 total adjusted compensation was substantially less than their 2004 compensation.

- The proponent s supporting statement omits information that is necessary to understand the context of the compensation levels. For example, Mr. Murphy and Mr. McLean were retained upon our acquisition of Amegy Bancorporation, Inc. and their compensation for 2006 through 2008 in large measure reflects amounts contractually agreed to in connection with the acquisition. Moreover, $132,234 and $66,117 of Mr. Murphy s and Mr. McLean s total compensation for 2008 reflects the accounting value of performance stock awards granted to them in that year. Due to Mr. Murphy s resignation as CEO of Amegy Bank, he will not realize any value from his award. Due to Amegy Bank s performance, it is doubtful whether Mr. McLean will be able to realize value from his award.

Thus, although the proponent argues that his data evidence compensation arrangements that are broken, we believe that the compensation of our senior executives has been reasonable and justified in light of Company performance.

- As noted in this Proxy Statement, Mr. Simmons total compensation for 2009 was less than that of the CEO of each banking organization in our Custom Peer Group and, as noted in the proxy statement for our 2009 annual meeting, Mr. Simmons 2008 compensation was below the 25th percentile of the Custom Peer Group.

- The total compensation of each of our NEOs declined substantially for 2009, as compared to 2008.

- The total compensation of each of our NEOs for 2009 was less than the officer s total compensation in 2006.

- Mr. Simmons total compensation for 2009 was less than his total compensation for 2004 (even though the 2004 total compensation, calculated in accordance with then applicable SEC disclosure rules, omits substantial amounts of compensation included under the SEC disclosure rules applicable for 2009).

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The Company believes it is grossly unfair and misleading to characterize changes in our compensation levels during the periods shown in the proponent s chart as excessive.

If this shareholder proposal is properly proposed by a shareholder proponent at the Annual Meeting,

the Board unanimously recommends that shareholders

vote AGAINST the proposal.

If the proposal is properly proposed by a shareholder proponent at the Annual Meeting, the affirmative vote of a majority of votes validly cast for or against the proposal is required for its approval. That approval would not, by itself, require the Board to adopt a say on pay policy; however, if shareholders approve the proposal, the Board would consider adopting a say on pay policy. If the proposal is not properly presented by a proponent at the Annual Meeting, it will not be voted upon.

The proponent proposed a similar say on pay proposal, which was included in our proxy statement for our 2009 annual meeting of shareholders and which was included as part of the agenda at that meeting. The proponent s 2009 proposal received approval from 20.89% of the shares eligible to vote at the 2009 annual meeting.

FEES OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The following is a description of fees billed to the Company by Ernst & Young LLP during the years ended December 31, 2009, and 2008.

Audit Fees

Audit fees include fees for the annual audit of the Company s consolidated financial statements, audits of subsidiary financial statements and reviews of interim financial statements included in the Company s quarterly reports on Form 10-Q. Audit fees also include fees for services closely related to the audit and that in many cases could only be performed by the independent registered public accounting firm. Such fees include comfort letters and consents related to registration statements. The aggregate audit fees billed to the Company by Ernst & Young LLP for the years ended December 31, 2009, and 2008 totaled approximately $3.51 million and $3.16 million, respectively.

Audit-Related Fees

Audit-related fees include fees for accounting consultations, audits of employee benefit plans, due diligence related to acquisitions and certain agreed-upon procedures and compliance engagements. The aggregate audit-related fees billed to the Company by Ernst & Young LLP for the years ended December 31, 2009, and 2008 totaled approximately $1.01 million and $0.88 million, respectively.

Tax Fees

Tax fees include corporate tax compliance, planning and advisory services. The aggregate tax fees billed to the Company by Ernst & Young LLP for the years ended December 31, 2009, and 2008 totaled approximately $0.09 million and $0.01 million, respectively.

All Other Fees

All other fees billed by Ernst & Young LLP, which include general consulting fees and other miscellaneous fees, aggregated approximately $0.01 million for each of the years ended December 31, 2009, and 2008.

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Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy that requires advance approval by it of all audit, audit-related, tax services and all other services performed by the independent registered public accounting firm. There were no services or fees in 2009 or 2008 that were not approved in advance by the Audit Committee under these policies or procedures.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors and persons who own more than 10% of a registered class of our equity securities to file reports of ownership and changes in their ownership with the SEC. Our Corporate Secretary acts as a compliance officer for such filings of our officers and directors, and prepares reports for such persons based on information supplied by them. Based solely on its review of such information, we believe that for the period from January 1, 2009, through December 31, 2009, our officers and directors were in compliance with all applicable filing requirements, except that Messrs. Heaney, Porter, Quinn, L.E. Simmons and Wheelwright filed one late report on shares purchased through a deferred compensation program, and Mr. Dent and Ms. Linardakis filed one late report on shares gifted (each due to a Company oversight).

OTHER BUSINESS

Except as set forth in this Proxy Statement, management has no knowledge of any other business to come before the Annual Meeting. If, however, any other matters of which management is now unaware properly come before the Annual Meeting, it is the intention of the persons named in the Proxy to vote the Proxy in accordance with their judgment on such matters.

SHAREHOLDER PROPOSALS FOR 2011 ANNUAL MEETING

Pursuant to our Bylaws, business must be properly brought before an annual meeting in order to be considered by our shareholders. The Bylaws specify the procedure for shareholders to follow in order to bring business before a meeting of the shareholders. Notice of any proposal to be presented by any shareholder, or the name of any person to be nominated by any shareholder for election as a director of the Company at any annual meeting of shareholders, must be delivered to our Secretary at least 120 days but not more than 150 days prior to the date our proxy statement is released to our shareholders in connection with the annual meeting for the preceding year. We must receive proposals from our shareholders on or before December 17, 2010, in order to have such proposals evaluated for inclusion in the proxy materials relating to our 2011 Annual Meeting of shareholders. Any proposal submitted for the proxy materials will be subject to the rules of the SEC concerning shareholder proposals.

The notice of a proposal must contain the following items:

- the shareholder s name, address, and share ownership of the Company;
- the text of the proposal to be presented;
- a brief written statement of the reasons why such shareholder favors the proposal; and any material interest of such shareholder in the proposal.

The notice stating a desire to nominate any person for election as a director of the Company must contain the following items:

- the shareholder s name, address, and share ownership of the Company;
- the name of the person to be nominated;

- the name, age, business address, residential address, and principal occupation or employment of each nominee;
- the nominee s signed consent to serve as a director of the Company, if elected;
- the number of shares of the Company owned by each nominee;
- a description of all arrangements and understandings between the shareholder and nominee pursuant to which the nomination is to be made; and
- such other information concerning the nominee as would be required in a proxy statement soliciting proxies for the election of the nominee under the rules of the SEC.

A copy of our Bylaws specifying the requirements will be furnished to any shareholder upon written request to our Corporate Secretary.

COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Shareholders interested in communicating directly with the Presiding Director, the Chairman of our Executive Compensation Committee, or with our directors as a group, or persons interested in communicating complaints concerning accounting, internal controls, or auditing matters to our Audit Committee, may do so by writing care of the Corporate Secretary, Zions Bancorporation, One South Main Street, 15th Floor, Salt Lake City, Utah 84133-1109. Our Board of Directors has approved a formalized process for handling letters we receive that are addressed to members of the Board. Under that process, our Corporate Secretary reviews all such correspondence and forwards to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of our Corporate Secretary, deals with the functions of the Board or committees thereof, or that he or she otherwise determines requires their attention. Directors may at any time review a log of all correspondence we receive that is addressed to members of the Board and request copies of any such correspondence. Concerns relating to accounting, internal controls, or auditing matters are brought to the attention of our internal audit department and handled in accordance with procedures established by the Audit Committee with respect to such matters. These procedures include an internal hot line to our outside counsel that is available to employees for purposes of reporting alleged or suspected wrongdoing.

HOUSEHOLDING OF PROXY MATERIALS

SEC rules permit companies and intermediaries such as brokers to satisfy the delivery requirements for proxy statements or Notices of Internet Availability of Proxy Materials with respect to two or more shareholders sharing the same address by delivering a single proxy statement or Notice of Internet Availability of Proxy Materials addressed to those shareholders. This process, which is commonly referred to as householding, potentially provides extra convenience for shareholders and cost savings for companies. We will household the Notice of Internet Availability of Proxy Materials for addresses with multiple shareholders unless we receive contrary instructions from the affected shareholders. If you are an affected shareholder and no longer wish to participate in householding, or if you are receiving multiple copies of the Notice of Internet Availability of Proxy Materials and wish to receive only one, please notify your broker if your shares are held in a brokerage account, or the Company if you hold registered shares. A written request should be sent to Zions First National Bank, Corporate Trust Department, P.O. Box 30880, Salt Lake City, Utah 84130 or by calling (801) 844-7545.

VOTING THROUGH THE INTERNET OR BY TELEPHONE

Our shareholders voting through the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, that must be borne by the shareholder. To vote by telephone, call toll free 1-800-690-6903 and follow the instructions provided by the recorded message. To vote through the Internet, log on to the Internet and go to www.proxyvote.com and follow the steps on the secure Web site. To vote by telephone or Online you will need the control number provided on the Notice of Internet Availability of Proxy Materials that will be sent to you on or about April 16, 2010.

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FORWARD-LOOKING STATEMENTS

This Proxy Statement contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management s current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in or implied by the statements. The forward-looking statements may include statements regarding the Company s future or expected financial performance or expectations regarding future levels of executive compensation, including payouts pursuant to long-term incentive compensation programs. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements should be evaluated together with the many uncertainties that affect the Company s business, particularly those mentioned in the cautionary statements in its Annual Report on Form 10-K for the year ended December 31, 2009.

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH SHAREHOLDER, ON WRITTEN REQUEST, A COPY OF THE COMPANY S ANNUAL REPORT ON FORM 10-K, INCLUDING THE FINANCIAL STATEMENTS AND SCHEDULES THERETO, AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. WRITTEN REQUESTS FOR SUCH INFORMATION SHOULD BE DIRECTED TO THE CORPORATE SECRETARY, ONE SOUTH MAIN STREET, 15th FLOOR, SALT LAKE CITY, UTAH 84133-1109.

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APPENDIX I

AMENDMENT TO THE

RESTATED ARTICLES OF INCORPORATION

OF

ZIONS BANCORPORATION

Section 1 of Article VIII of the Restated Articles of Incorporation of the Corporation will be amended to read in its entirety as follows if Proposal 2 is approved:

ARTICLE VIII

Section 1. Authorized Shares. The aggregate number of shares of capital stock which this Corporation shall have authority to issue is 354,400,000, divided into two classes as follows:

(A) 350,000,000 shares of Common Stock, without par value, which shares shall be entitled to one vote per share; and

(B) 4,400,000 shares of Preferred Stock, without par value.

The Board of Directors of this Corporation is expressly vested with the authority to determine, with respect to any class of Preferred Stock, the dividend rights (including rights as to cumulative, noncumulative or partially cumulative dividends) and preferences, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and the liquidation preferences of any such class of Preferred Stock. As to any series of Preferred Stock, the Board of Directors is authorized to determine the number of shares constituting such series, and to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of that series.

The Board of Directors of this Corporation is expressly vested with the authority to divide the above-described class of Preferred Stock into series and to fix and determine the variations in the relative rights and preferences of the shares of Preferred Stock of any series so established, including, without limitation, the following:

(i) the rate of dividend;

(ii) the price at and the terms and conditions on which shares may be redeemed;

(iii) the amount payable upon shares in event of involuntary liquidation;

(iv) the amount payable upon shares in event of voluntary liquidation;

(v) sinking fund provisions for the redemption or purchase of shares;

(vi) the terms and conditions on which shares may be converted, if the shares of any series are issued with the privilege of conversion; and

(vii) such other variations in the relative rights and preferences of such shares which at the time of the establishment of such series are not prohibited by law.

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ZIONS BANCORPORATION ONE SOUTH MAIN STREET, 15th FLOOR SALT LAKE CITY, UTAH 84133-1109

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