

FIRST HORIZON NATIONAL CORP
Form DEF 14A
March 14, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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

Filed by the Registrant x
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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
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FIRST HORIZON NATIONAL CORPORATION

(Name of Registrant as Specified in Its Charter)

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March 14, 2016

Dear Fellow Shareholder:

You are cordially invited to attend First Horizon National Corporation's 2016 annual meeting of shareholders. We will hold the meeting on April 26, 2016 in the Auditorium, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee, at 10:00 a.m. local time.

2015 was another year of steady progress for First Horizon. Throughout the year we grew loans, continued to focus on returns, profitability and cost control and put most of our legacy issues behind us. We enhanced our presence in our newer markets and our leadership in our traditional markets. Highlights include:

- Total shareholder return (TSR) for 2015 of 8.68%, our fourth consecutive year of positive TSR.
- Annual common dividend rate increased to 24 cents per share in 2015 and again to 28 cents per share early in 2016.
- Regional bank loans were up 15% overall compared to 2014; non-performing loans fell significantly to 0.36% of the total; and net interest income rose 9% for the year.
- Strong growth in commercial lending.
- Fixed income noninterest income was up 14% in 2015.
- No. 1 deposit market share in Tennessee (based on FDIC data as of June 30, 2015).
- Completion of our acquisition of TrustAtlantic Bank based in Raleigh, North Carolina.
- Continued discipline in our deployment of resources based on economic profit principles and risk-adjusted return on capital analytics and application of these concepts to individual products throughout the company.

As we mark our 152nd year, our Firstpower culture, with its emphasis on Accountability,

Adaptability, Integrity and Relationships, continues to help us meet the challenges that we face. The strength of our culture and the quality of our people were reaffirmed with top-employer recognition from American Banker, Forbes, Working Mother magazine and the National Association for Female Executives.

Accompanying this letter are the formal notice of the annual meeting, our 2016 proxy statement and our annual report to shareholders, which contains detailed financial information relating to our activities and operating performance

during 2015. Though it is being delivered to you with our proxy statement, the annual report to shareholders is not “soliciting material” under SEC Regulation 14A.

At the meeting, we will ask you to elect ten directors; to approve our Equity Compensation Plan, as proposed to be amended and restated; to approve our Management Incentive Plan, as proposed to be amended and restated; to vote on an advisory resolution to approve executive compensation (“say on pay”); and to ratify the appointment of KPMG LLP as our independent auditors for 2016. The accompanying proxy statement contains information about these matters.

Your vote is important. You may vote your proxy by telephone, over the internet or, if you received a paper proxy card by mail, you may also vote by signing, dating, and returning the proxy card by mail (as directed on the proxy card). Even if you plan to attend the meeting, please vote your proxy by telephone or over the internet or return your proxy card as soon as possible.

Thank you for your continued support of First Horizon, and I look forward to seeing you at the annual meeting.

D. Bryan Jordan

Chairman of the Board,

President and Chief Executive Officer

Notice of Annual Shareholders' Meeting

April 26, 2016

10:00 a.m. Central Time

The annual meeting of the holders of First Horizon National Corporation's common stock will be held on April 26, 2016, at 10:00 a.m. local time in the Auditorium, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee.

The items of business are:

1. Election of ten directors to serve until the 2017 annual meeting of shareholders and until their successors are duly elected and qualified.
2. Approval of our Equity Compensation Plan, as proposed to be amended and restated.
3. Approval of our Management Incentive Plan, as proposed to be amended and restated.
4. Vote on an advisory resolution to approve executive compensation.
5. Ratification of the appointment of auditors.

These items are described more fully in the following pages, which are made a part of this notice. The close of business on February 26, 2016 is the record date for the meeting. All holders of record of First Horizon's common stock as of that time are entitled to vote at the meeting.

Management requests that you vote your proxy by telephone or over the internet or that you sign and return the form of proxy promptly, as applicable, so that if you are unable to attend the meeting your shares can nevertheless be voted. You may revoke a proxy at any time before it is exercised at the annual meeting in the manner described on page 2 of the proxy statement.

Clyde A. Billings, Jr.

Senior Vice President, Assistant General Counsel
and Corporate Secretary

Memphis, Tennessee
March 14, 2016

IMPORTANT NOTICE

Please (1) vote your proxy by telephone (2) vote your proxy over the internet or (3) mark, date, sign and promptly mail the form of proxy, as applicable, so that your shares will be represented at the meeting.

If you hold your shares in street name, it is critical that you instruct your broker or bank how to vote if you want your vote to count in the election of directors, the approval of the Equity Compensation and Management Incentive Plans, and the advisory resolution to approve executive compensation (Vote Item Nos. 1, 2, 3 and 4 of this proxy statement). Under current regulations, if you hold your shares in street name and you do not instruct your broker or bank how to vote in these matters, no votes will be cast on your behalf with respect to these matters. For additional information, see page 3 of the proxy statement.

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2016 Annual Meeting & Proxy Statement—General Matters

Purpose of the Annual Meeting of Common Shareholders

Our Board of Directors is soliciting proxies to be voted at our upcoming annual meeting of the holders of First Horizon's common stock (and at any adjournment or adjournments of the meeting). At the meeting, our common shareholders will act to elect ten directors; to approve our Equity Compensation Plan, as proposed to be amended and restated; to approve our Management Incentive Plan, as proposed to be amended and restated; to vote on an advisory resolution to approve executive compensation ("say on pay"); and to ratify the appointment of KPMG LLP as our independent auditors for 2016.

Date, Time & Place of the Annual Meeting

The annual meeting of the holders of our common stock will be held on Tuesday, April 26, 2016 at 10:00 a.m. local time in the Auditorium of our principal executive office, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee 38103. To obtain additional information or directions to be able to attend the meeting and vote in person, contact our Community Relations office at 866-365-4313.

Terms Used in this Proxy Statement

In this proxy statement, First Horizon National Corporation is referred to by the use of "we," "us" or similar pronouns, or simply as "FHN" or "First Horizon," and First Horizon and its consolidated subsidiaries are referred to collectively as "the company." The term "shares" means First Horizon's common stock, and the term "shareholders" means the holders of that common stock, unless otherwise clearly stated. In addition,

the notice of the 2016 annual meeting of shareholders, this proxy statement, our annual report to shareholders for the year ended December 31, 2015, and the proxy card are referred to as our "proxy materials." Though the annual report to shareholders is included in the term "proxy materials," it is not "soliciting material" under SEC Regulation 14A.

Internet Availability of Proxy Materials

Again this year, we are using the SEC's "notice and access" rule, which allows us to furnish our proxy materials over the internet to our shareholders instead of mailing paper copies of those materials to each shareholder. As a result, beginning on or about March 14, 2016, we sent to most of our shareholders by mail or e-mail a notice of internet

availability of proxy materials, which contains instructions on how to access our proxy materials over the internet and vote online. This notice is not a proxy card and cannot be used to vote your shares. If you received only a notice, you will not receive paper copies of the proxy materials unless you request the materials by following the instructions on the notice.

If you received a paper copy of the notice, we encourage you to help us save money and reduce the environmental impact of delivering paper notices by signing up to receive all of your future proxy materials electronically.

If you own shares of common stock in more than one account—for example, in a joint account with your spouse and in your individual brokerage account—you may have received more than one notice. To vote all of your shares, please follow each of the separate voting instructions that you received for your shares of common stock held in each of your different accounts.

Voting by Proxy & Revoking your Proxy

The First Horizon Board of Directors is asking you to give us your proxy. Giving us your proxy means that you authorize another person or persons to vote your shares of our common stock at the annual meeting of shareholders in the manner you direct. Giving us your proxy allows your shares to be voted even if you do not attend the annual meeting in person. You may revoke your proxy at any time before it is exercised by writing to the Corporate Secretary, by timely delivering a properly executed, later-dated proxy (including by telephone or internet) or by voting by ballot at the meeting. All shares represented by valid proxies received pursuant to this solicitation, and not revoked before they are exercised, will be voted in the manner specified on the proxy. **If you submit a proxy without giving specific voting instructions, your shares will be voted in accordance with**

the recommendations of our Board of Directors as follows:

FOR:

1. Election of ten directors to serve until the 2017 annual meeting of shareholders and until their successors are duly elected and qualified.
2. Approval of our Equity Compensation Plan, as proposed to be amended and restated (“ECP”).
3. Approval of our Management Incentive Plan, as proposed to be amended and restated (“MIP”).
4. Approval of an advisory resolution to approve executive compensation (“say on pay”).
5. Ratification of the appointment of auditors.

Solicitation of Proxies

First Horizon will pay the entire cost of soliciting the proxies. In following up the original solicitation of the proxies, we may request brokers and others to send proxy materials to the beneficial owners of the shares and may reimburse them for their expenses in so doing. If we deem it necessary, we may also use several of our employees to solicit proxies from the shareholders, either personally or by telephone, letter or e-mail, for which they will

receive no compensation in addition to their normal compensation. We have hired Morrow & Co., LLC, 470 West Ave., Stamford, CT 06902 to aid us in the solicitation of proxies for a fee of \$8,000 plus out-of-pocket expenses. An additional charge of \$6.50 per holder will be incurred should we choose to have Morrow & Co. solicit individual holders of record.

Quorum & Vote Requirements

Except for our depositary shares (each representing a 1/4000th interest in a share of non-cumulative perpetual preferred stock, Series A, issued by First Horizon on January 31, 2013), which have limited voting rights and no right to vote at the annual meeting, our common stock is our only class of voting securities. There were 234,092,946 shares of common stock outstanding and entitled to vote as of February 26, 2016, the record date for the annual shareholders' meeting. Each share is entitled to one vote. A quorum of the shares must be represented at the meeting to take action on any matter at the meeting. A majority of the votes entitled to be cast constitutes a quorum for purposes of the annual meeting. Both "abstentions" and broker "non-votes" will be considered present for quorum purposes, but will not otherwise have any effect on the vote items

(except as described below with respect to the ECP vote item).

The affirmative vote of a majority of the votes cast is required to elect the nominees as directors, and we have adopted a director resignation policy that requires a director who does not receive the affirmative vote of a majority of the votes cast with respect to his or her election to tender his or her resignation. For additional information on our director resignation policy, see the summary of the policy in the "Corporate Governance & Board Matters" section of this proxy statement beginning on page 5. The policy is also contained in our Corporate Governance Guidelines, which are available on our website at www.firsthorizon.com (click on "Investor Relations," then "Corporate Governance," and then "Governance Documents").

The affirmative vote of a majority of the votes cast is required to approve our ECP and MIP, to approve the advisory resolution to approve executive compensation and to ratify the appointment of auditors.

With respect to the ECP, New York Stock Exchange rules make shareholder approval a

prerequisite to the listing of any additional shares of our common stock and, for purposes of determining whether shareholder approval has been obtained, require that abstentions be counted as “votes cast.” Therefore, for purposes of the NYSE rules only, abstentions will have the same effect as votes against the approval of the ECP.

Effect of Not Casting Your Vote

Shares Held in Street Name. If you hold your shares in street name it is critical that you instruct your broker or bank how to vote if you want your vote to count in the election of directors, the approval of the ECP and MIP, and the advisory resolution to approve executive compensation (Vote Item Nos. 1, 2, 3 and 4 of this proxy statement). Under current regulations, your broker or bank will not have the ability to vote your uninstructed shares in these matters on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your broker

or bank how to vote, no votes will be cast on your behalf with respect to these matters. Your broker or bank will have the ability to vote uninstructed shares on the ratification of the appointment of auditors (Vote Item No. 5).

Shareholders of Record. If you are a shareholder of record and you do not vote your proxy, no votes will be cast on your behalf on any of the items of business at the annual meeting unless you attend the annual meeting and vote your shares there.

Duplicate Mailings & Householding

Duplicate mailings in most cases are inconvenient for you and an unnecessary expenditure for us. We encourage you to eliminate them whenever you can as described below.

Multiple Accounts. Some of our shareholders own their shares using multiple accounts registered in variations of the same name. If you have multiple accounts, we encourage you to consolidate your accounts by having all your shares registered in exactly the same name and address. You may do this by contacting our stock transfer agent, Wells Fargo Bank, N.A., by phone toll-free at 1-877-536-3558, or by mail to Shareowner Services, P.O. Box 64854, St. Paul, MN 55164-0854.

Shares Held in Street Name. If you and other members of your household are beneficial owners of shares, meaning that you own shares indirectly through a broker, bank, or other nominee, you may eliminate any duplication of mailings by contacting your broker, bank, or other nominee. If you have eliminated duplicate mailings but for any reason would like to resume them, you must contact your broker, bank, or other nominee.

Shareholders with the Same Address; Requesting Changes. If you are among the

shareholders who receive paper copies of our proxy materials, SEC rules allow us to mail a single copy of those materials to all shareholders residing at the same address if certain conditions are met. This practice is referred to as “householding.” (Householding does not apply to either the proxy card or the notice of internet availability of proxy materials.) If your household receives only one copy of the proxy materials and if you wish to start receiving separate copies in your name, apart from others in your household, you must request that action by contacting our stock transfer agent, Wells Fargo Bank, N.A., by phone toll-free at 1-877-602-7615 or by writing to it at Shareowner Services, Attn: Householding, P.O. Box 64854, St. Paul, MN 55164-0854. That request must be made by each person in the household who desires a separate copy. Within 30 days after your request is received we will start sending you separate mailings. If you and members of your household are receiving multiple copies and you want to eliminate the duplications, please request that action by contacting Wells Fargo using the contact information given in this paragraph above. In either case, in your communications, please refer to your account number and our company number (998). Please be aware that if you hold shares both in your own

name and as a beneficial owner through a broker, bank or other nominee, it is not possible to eliminate duplications as between these two types of ownership. If your household receives only a single copy of the proxy materials, and if you desire your own separate copies for the 2016 annual meeting, you may pick up copies in person at the meeting in April or download them from our website using the website address listed in the box

below. If you would like additional copies mailed, we will mail them promptly if you request them from our Investor Relations department at our website, by phone toll-free at 1-800-410-4577, or by mail to Investor Relations, P.O. Box 84, Memphis, TN 38101. However, we cannot guarantee you will receive mailed copies before the 2016 annual meeting.

**Important Notice Regarding the Availability of Proxy Materials
for the Shareholder Meeting to Be Held on April 26, 2016.**

**This proxy statement, our proxy card, and our annual report to shareholders are
available at <http://ir.fhnc.com>.**

Corporate Governance & Board Matters

In accordance with our Bylaws, First Horizon is managed under the direction of and all corporate powers are exercised by or under the authority of our Board of Directors. Our Board of Directors currently has eleven members. (It will have ten members after the annual meeting since one current director is not standing for re-election.) All of our directors are also directors of First Tennessee Bank National Association (the “Bank” or “FTB”). The Bank is our principal operating subsidiary.

First Horizon is dedicated to operating in accordance with sound corporate governance principles. We believe that these principles not only form the basis for our reputation of integrity in the marketplace but also are essential to our efficiency and overall success. Some of our corporate governance principles, policies and practices are highlighted below.

Corporate Governance Highlights

• **Annual director elections.** All our directors are elected by our shareholders every year.

• **Majority voting.** Our directors are elected by a majority of the votes cast in uncontested elections (plurality vote in contested elections).

• **Director resignation policy.** We have adopted a director resignation policy for directors who do not receive the affirmative vote of a majority of the votes cast.

• **Independence.** All current non-employee director nominees are independent under the NYSE listing standards.

• **Board refreshment.** Our Board values fresh perspectives. Over the past six years, we have added five new directors to our Board, and a majority of our directors have served for fewer than eight years.

• **Shareholder engagement.** Dialogue with our shareholders is a critical part of our company’s success. In addition to our Investor Relations area’s ongoing dialogue with our shareholders via conferences, road shows, on-site visits and the like, over the past several years our outside directors have met a number of times with both investors and proxy advisory firms to discuss issues of importance to them.

• **Lead director.** Independent director R. Brad Martin serves as the lead director. The principal duties of the lead director are specified in the Corporate Governance Guidelines.

• **Other directorships.** All of our directors serve on three or fewer public company boards (other than First Horizon); eight of our eleven current directors serve on one or no other public company boards.

• **Clawback.** Our Compensation Recovery Policy (commonly known as a “clawback” policy) makes performance compensation paid based on erroneous financial data recoverable if the recipient caused the error or is responsible for the data’s accuracy. Additional clawback provisions apply to most types of stock awards if certain other misconduct

occurs, such as fraud or solicitation, or (starting in 2014) if grant or payment of an award was based on erroneous financial data or if a termination for cause occurs.

Stock ownership guidelines. These guidelines require non-employee directors to own five times their annual cash •base retainer in First Horizon stock. Executive officers must own between two and six times their salary in First Horizon stock, depending on their position. See page 60 for additional details about the guidelines.

Individual director evaluations. Each year, the Nominating & Corporate Governance Committee evaluates the •performance of each non-employee director prior to determining whether to recommend him or her to the Board for renomination. See page 25 for additional detail on this process.

Hedging. Company policy prohibits directors and executive officers from hedging with respect to First Horizon •stock.

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Key Corporate Governance Documents

Our Board has adopted the following key corporate governance documents. All of these are available, along with several other governance documents, such as our compensation recovery policy, stock ownership guidelines, and committee charters, on our website at www.firsthorizon.com (click on “Investor Relations,” then “Corporate Governance,” and then “Governance Documents”). Paper copies are also available to shareholders upon request to the Corporate Secretary.

Corporate Governance Guidelines Provide our directors with guidance as to their legal accountabilities, promote the functioning of the Board and its committees, and set forth a common set of expectations as to how the Board should perform its functions.

Code of Business Conduct and Ethics •Sets forth the overarching principles that guide the conduct of every aspect of our business. Any waiver of the Code of Business Conduct and Ethics for an executive officer or director must be promptly disclosed to shareholders in any manner that is acceptable under the NYSE listing standards, including but not limited to distribution of a press release, disclosure on our website, or disclosure on Form 8-K.

Code of Ethics for Senior Financial Officers Promotes honest and ethical conduct, proper disclosure of financial information and compliance with applicable governmental laws, rules and regulations by our senior financial officers and other employees who have financial responsibilities. We intend to satisfy our disclosure obligations under Item 5.05 of Form 8-K related to amendments or waivers of the Code of Ethics for Senior Financial Officers by posting such information on our website.

We have also adopted a Compliance and Ethics Program Policy, which highlights our commitment to having an effective compliance and ethics program by exercising due diligence to prevent and detect criminal conduct and otherwise by promoting an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

Director Resignation Policy

Our Board has adopted a director resignation policy that requires a director who does not receive the affirmative vote of a majority of the votes cast with respect to his or her election to tender his or her resignation. Under the policy, the Nominating & Corporate Governance Committee must promptly consider the resignation tender and a range of possible responses and make a recommendation to the Board. The Board will act on the Nominating & Corporate Governance Committee’s recommendation within 90 days following certification of the shareholder vote. Thereafter, the Board will promptly disclose its decision regarding whether to accept the director’s resignation tender, including an explanation of the decision (or the

reason(s) for rejecting the resignation offer, if applicable), in a Form 8-K (or other appropriate report) filed with or furnished to the Securities and Exchange Commission. If any director's tender of resignation under the policy is not accepted by the Board, such director will serve until the next annual meeting of shareholders and until his or her successor has been duly elected and qualified. Any director who tenders his or her resignation pursuant to the director resignation policy shall not participate in the Nominating & Corporate Governance Committee recommendation or Board action regarding whether to accept the tender of resignation. If a majority of the members of the Nominating & Corporate Governance Committee

did not receive the affirmative vote of a majority of the votes cast at the same election, then all the directors who are “independent” under the listing standards of the New York Stock Exchange and who received the affirmative vote of a majority of the votes cast shall appoint a committee amongst themselves to consider the resignation tenders and recommend to the Board whether to accept them.

This committee may, but need not, consist of all of the independent directors who received the affirmative vote of a majority of the votes cast. The director resignation policy is contained in our Corporate Governance Guidelines, which are available on our website at www.firsthorizon.com (click on “Investor Relations,” then “Corporate Governance,” and then “Governance Documents”).

Independence & Categorical Standards

Independence

Our common stock is listed on the New York Stock Exchange. The NYSE listing standards require a majority of our directors and all of the members of the Compensation Committee, the Nominating & Corporate Governance Committee and the Audit Committee of the Board of Directors to be independent as defined in the listing standards. Under these standards, our Board of Directors is required to determine affirmatively that a director has no material relationship with the company for that director to qualify as independent. In order to assist in making independence determinations, the Board, upon the recommendation of the Nominating & Corporate Governance Committee, has adopted the categorical standards set forth below. In making its independence determinations, each of the Board and the Nominating & Corporate Governance Committee considered the relationships between each director and the company, including those that fall within the categorical standards. In addition, the NYSE listing standards require that the Board specifically consider certain factors in determining the independence of any director who will serve on the Compensation Committee. These factors are described under the heading “The Compensation Committee—In General” below in this proxy statement. Our Board specifically considered such factors in making the independence determinations for all of our

directors, including those who serve on the Compensation Committee.

Based on its review and the application of the categorical standards, the Board, upon the recommendation of the Nominating & Corporate Governance Committee, determined that all ten of our current non-employee directors (Messrs. Compton, Emkes, Gilchrist, Martin, Niswonger, Reed, and Yancy and Mmes. Gregg, Palmer and Stewart) are independent under the NYSE listing standards. The Nominating & Corporate Governance Committee and the Board determined that all transactions and relationships with each director identified above as independent fell within our categorical standards. In addition, the Board, upon the recommendation of the Nominating & Corporate Governance Committee, determined that Mr. Carter, who stepped down as a director in November of 2015, was independent under the NYSE listing standards during the time he served as a director. Mr. Jordan, as our Chief Executive Officer, is not independent.

The categorical standards established by the Board, which were last revised in 2010, are set forth below and are also available on our website at www.firsthorizon.com (click on “Investor Relations,” then “Corporate Governance,” and then “Governance Documents”).

Director Transactions by Category or Type

With respect to each director who is identified above as independent under the NYSE listing standards, the Board considered the following types or categories of transactions, relationships or arrangements in determining the director’s independence under the NYSE standards and our categorical standards.

Provision by the company, in the ordinary course of business and on substantially the same terms and conditions as those prevailing at the time for comparable transactions with non-affiliated persons, of the following banking and financial services and services incidental thereto to directors, their immediate family members and/or to entities with which directors or their immediate family members are affiliated: deposit accounts (all directors except Mr. Gilchrist and Ms. Stewart); treasury management products (Messrs. Carter, Compton, Martin, Niswonger,

