FIRST HORIZON NATIONAL CORP
Form DEF 14A
March 12, 2012

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
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 Sec. 240.14a-12

FIRST HORIZON NATIONAL 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.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:*

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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:

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March 12, 2012

Dear Shareholders:

You are cordially invited to attend First Horizon National Corporation s 2012 annual meeting of shareholders. We will hold the meeting on April 17, 2012 in the Auditorium, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee, at 10:00 a.m. local time. We have attached the formal notice of the annual meeting, our 2012 proxy statement, and a form of proxy.

At the meeting, we will ask you to elect eleven directors; to approve our 2003 Equity Compensation Plan, as proposed to be amended and restated; to approve our 2002 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 2012. The attached proxy statement contains information about these matters.

Our annual report to shareholders, which contains detailed financial information relating to our activities and operating performance during 2011, is being delivered to you with our proxy statement but is not deemed to be soliciting material under SEC Regulation 14A.

Your vote is important. You may vote your proxy by telephone, over the Internet or by mail. If you attend the meeting and want to vote your shares but have previously voted a proxy, then prior to the balloting you should request that your form of proxy be withheld from voting. We request that you vote your proxy by telephone or over the Internet or return your proxy card in the postage-paid envelope as soon as possible. If you hold your shares in street name, it is critical that you instruct your broker how to vote if you want your vote to count in the election of directors, the approval of both compensation plans, as proposed to be amended and restated, 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 how to vote on these matters, no votes will be cast on your behalf with respect to these matters. For additional information, see page 2 of the attached proxy statement.

Sincerely yours,

D. BRYAN JORDAN

Chairman of the Board,
Chief Executive Officer and President

FIRST HORIZON NATIONAL CORPORATION

165 Madison Avenue
Memphis, Tennessee 38103

NOTICE OF ANNUAL SHAREHOLDERS MEETING

April 17, 2012

The annual meeting of shareholders of First Horizon National Corporation will be held on April 17, 2012, 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 eleven directors to serve until the 2013 annual meeting of shareholders or until their successors are duly elected and qualified.

(2) Approval of our 2003 Equity Compensation Plan, as proposed to be amended and restated.

(3) Approval of our 2002 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 24, 2012 is the record date for the meeting. All shareholders of record at that time are entitled to vote at the meeting.

Management requests that you vote your proxy by telephone or over the Internet (following the instructions on the enclosed form of proxy) or that you sign and return the form of proxy promptly, 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 1 of the proxy statement.

CLYDE A. BILLINGS, JR.
Senior Vice President,
Assistant General Counsel
and Corporate Secretary

Memphis, Tennessee
March 12, 2012

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 enclosed form of proxy in the enclosed envelope so your shares will be represented at the meeting.

If you hold your shares in street name, it is critical that you instruct your broker how to vote if you want your vote to count in the election of directors, the approval of both compensation plans, as proposed to be amended and restated, 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 how to vote in these matters, no votes will be cast on your behalf with respect to these matters. For additional information, see page 2 of the attached proxy statement.

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FIRST HORIZON NATIONAL CORPORATION
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PROXY STATEMENT
FIRST HORIZON NATIONAL CORPORATION
165 Madison Avenue
Memphis, Tennessee 38103

GENERAL MATTERS

This proxy statement is being mailed to shareholders beginning on or about March 12, 2012. The Board of Directors is soliciting proxies to be used at our annual meeting of shareholders to be held on April 17, 2012 at 10:00 a.m. local time in the Auditorium, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee, and at any adjournment or adjournments thereof. To obtain additional information on directions to be able to attend the meeting and vote in person, contact our Corporate Communications office at 866-365-4313.

In this proxy statement, First Horizon National Corporation will be referred to by the use of we, us or similar pronouns, or simply as First Horizon, and First Horizon and its consolidated subsidiaries will be referred to collectively as the Corporation.

Form of Proxy; Revocation of Proxy. The accompanying form of proxy is for use at the meeting if you will be unable to attend 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 a telephone or Internet vote) 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 therein. **If you submit a proxy without giving specific voting instructions, your shares will be voted in accordance with the Board of Directors recommendations as follows:**

FOR:

1. Election of eleven directors to serve until the 2013 annual meeting of shareholders or until their successors are duly elected and qualified.

2. Approval of our 2003 Equity Compensation Plan, as proposed to be amended and restated (ECP).

3. Approval of our 2002

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. We will bear the entire cost of soliciting the proxies. In following up the original solicitation of the proxies by mail, we may request brokers and others to send proxies and proxy material to the beneficial owners of the shares and may reimburse them for their expenses in so doing. If necessary, we may also use several of our regular employees to solicit proxies from the shareholders, either personally or by telephone or by special letter, 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 $7,500 plus out-of-pocket expenses. An additional charge of $5.00 per holder will be incurred should we choose to have Morrow & Co. solicit individual holders of record.

Quorum and Vote Requirements. Our common stock is the only class of voting securities. There were 254,739,069 shares of common stock outstanding and entitled to vote as of February 24, 2012, 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 any of the vote items. 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 and Board Matters Introduction section of this proxy statement beginning on page 4. The policy is also contained in our Corporate Governance Guidelines, which are available on our website at www.fhnc.com under the Corporate Governance heading in the Investor

Relations area.) A majority of the votes cast is required to approve the amendments to the ECP and MIP and re-approve both plans in their entirety, to approve the advisory resolution to approve executive compensation and to ratify the appointment of auditors.

Effect of Not Casting Your Vote. If you hold your shares in street name it is critical that you instruct your broker how to vote if you want your vote to count in the election of directors, the approval of both the ECP and MIP, as proposed to be amended and restated, 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 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 how to vote, no votes will be cast on your behalf with respect to these matters. Your broker will have the ability to vote uninstructed shares on the ratification of the appointment of auditors (Vote Item No. 5).

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 and Householding. Duplicate mailings in most cases are an inconvenience for you and an unnecessary expense for the company. As described below, we have taken steps to reduce them, and we encourage you to eliminate them whenever you can.

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.

In some cases multiple members of the same family living in the same household have shares registered in their names. Currently, family members living in the same household generally receive only one copy per household of the annual report, proxy statement, and most other mailings. The only item which is separately mailed for each registered shareholder or account is a proxy card. If your household receives only one copy 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 for any reason 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 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 a 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.

If your household receives only a single copy of this proxy statement and our 2011 annual report and if you desire your own separate copies for the 2012 annual meeting, you may:

- pick up copies in person at the meeting in April, download them from our website using the website address listed in the box below, or

send a request that we mail you additional copies to our Investor Relations department via email at investorrelations@firsthorizon.com.

You may also request that we mail you additional copies by contacting our Investor Relations department by phone toll-free at 1-800-410-4577 or by mail to Investor Relations, P.O. Box 84, Memphis, TN 38101. Please be aware that we cannot guarantee you will receive additional mailed copies before the 2012 annual meeting.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 17, 2012.

This proxy statement is available at http://ir.fhnc.com/annuals.cfm.

The following additional materials are also available at the website listed above:

Annual Report to Shareholders

Proxy Card

CORPORATE GOVERNANCE AND BOARD MATTERS

Introduction

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. Many of these principles have been committed to writing. Our Corporate Governance Guidelines, which were initially adopted by our Board of Directors in January 2004 but which incorporate long-standing corporate policies and practices, 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. Our Corporate Governance Guidelines (as revised to date) are available on our website at www.fhnc.com under the Corporate Governance heading in the Investor Relations area. Paper copies are also available to shareholders upon request to the Corporate Secretary.

We have also adopted a Code of Business Conduct and Ethics, which incorporates many of our long-standing policies and practices and sets forth the overarching principles that guide the conduct of every aspect of our business, and a Code of Ethics for Senior Financial Officers, which 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. These Codes are available on our website at www.fhnc.com under the Corporate Governance heading in the Investor Relations area. Paper copies are also available to shareholders upon request to the Corporate Secretary. Any waiver of the Code of Business Conduct and Ethics for an executive officer or director will 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. First Horizon intends to satisfy its 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 policy on First Horizon s Compliance and Ethics Program that 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.

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 offer 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 offer, 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 resignation under the policy is not accepted by the Board, such director will serve the remainder of the term for which he or she was elected 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 resignation offer. If a majority of the members of the Nominating and 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 offers 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.fhnc.com under the Corporate Governance heading in the Investor Relations area.

First Horizon made several enhancements to its corporate governance policies and practices during 2011 and early 2012. The Board changed the method by which its lead director would be chosen: formerly, the chair of the Nominating & Corporate Governance Committee served as the lead director by virtue of his position as chair, but now the Board may choose a lead director from time to time from among any of the members of that Committee. The Board also clarified the duties of the lead director and made several refinements to the Board and Committee self-evaluation process. It also revised the Compensation Committee s charter to clarify the Committee s responsibilities with respect to executive compensation, the oversight of the risk associated with incentive compensation programs and arrangements, and related reporting on both and made refinements to the Audit Committee Charter as well. The Compensation Committee revised our stock ownership guidelines to broaden the group of officers to which the Guidelines apply. Finally, in response to shareholder concerns, we have adopted a sustainability statement that highlights some of our sustainable practices, and we intend to respond to the 2012 Carbon Emission Survey. Our sustainability statement is available on our website at www.fhnc.com in the Community area.

Under 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 thirteen members (two of whom will be retiring as of the annual meeting of shareholders in accordance with the provisions of our Bylaws concerning the retirement of our non-employee directors). All of our directors are also directors of First Tennessee Bank National Association (the Bank or FTB). The Bank is our principal operating subsidiary. The Board has four standing committees: the Executive & Risk Committee, the Audit Committee, the Compensation Committee and the Nominating & Corporate Governance Committee, each of which is described in more detail beginning on page 9.

Independence and Categorical Standards

Independence. Our common stock is listed on the NYSE. 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. Under these standards, our Board of Directors is required to determine affirmatively that a director has no material relationship with the Corporation 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 Corporation, including those that fall within the categorical standards.

Based on its review and the application of the categorical standards, the Board, upon the recommendation of the Nominating & Corporate Governance Committee, determined that eleven of our twelve current non-employee directors (Messrs. Carter, Compton, Emkes, Haslam, Martin, Niswonger, Reed, Sansom and Yancy and Mmes. Gregg and Palmer) are independent under the NYSE listing standards. Mr. Rose, our Chairman of the Board until January 1, 2012, is not independent under the NYSE listing standards because prior to April 20, 2009, our Bylaws provided that the position of Chairman of the Board was an officer position. Two of our current non-employee directors, Messrs. Rose and Sansom, are not standing for re-election by the shareholders and will be retiring as of the annual meeting of shareholders in accordance with the provisions of our Bylaws concerning the retirement of our non-employee directors. 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. Mr. Jordan, as our Chief Executive Officer, is not independent.

The categorical standards established by the Board, which were last revised January 19, 2010, are set forth below and are also available on our website at www.fhnc.com under the Corporate Governance heading in the Investor Relations area.

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 Corporation, 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. Compton); cash management services (Messrs. Carter, Haslam, Martin, Niswonger, Sansom and

Yancy and Ms. Gregg); health savings account depositary services (Mr. Carter and Ms. Gregg); repurchase agreements (Mr. Niswonger); loans (including mortgage loans), letters of credit, guaranties, credit cards and/or other lines of credit (all directors except Mr. Compton); interest rate swaps (Messrs. Haslam and Martin); investment management (Messrs. Emkes, Haslam, Martin, Reed, and Sansom); broker/dealer services (Messrs. Emkes, Haslam, Martin, Niswonger, Reed and Yancy); financial planning (Mr. Reed); capital markets (Mr. Emkes); trust services

(Messrs.
Haslam,
Niswonger
and Reed and

Ms. Gregg); insurance brokerage (Messrs. Emkes, Haslam, Niswonger, Reed and Yancy and Ms. Gregg); safe deposit boxes (Messrs. Carter, Haslam, Martin and Niswonger and Ms. Gregg); pay card services (Mr. Carter and Ms. Gregg); purchasing card services (Messrs. Emkes and Haslam) and currency exchange (Messrs. Haslam, Martin and Niswonger).

Provision by an entity affiliated with a director or his or her immediate family member, 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 products and services to the Corporation or its subsidiaries: package delivery and printing services (Mr. Carter); beverages (Mr. Compton); fuel for business travel by employees of the Corporation (Mr. Haslam); hotel lodging for business travel by employees of the Corporation (Mr. Reed); venues for business development and for holding seminars and other corporate functions (Mr. Reed); provision of ministerial administrative claims payment services with respect to the administration of First Horizon s self-insured health plan (Ms. Gregg).

Charitable contributions by the Corporation, its subsidiaries or the First Horizon Foundation to charitable organizations with which a director or immediate family member is affiliated (Messrs. Carter, Emkes, Haslam, Martin, Sansom and Yancy and Mmes. Gregg and Palmer).

Employment by the Corporation in a non-executive position of an immediate family member of a director (Mr. Yancy).

Categorical Standards. Each of the following relationships between the Corporation and its subsidiaries, on the one hand, and a director, an immediate family member of a director, or a company or other entity as to which the director or an immediate family member is a director, executive officer, employee or shareholder (or holds a similar position), on the other hand, will be deemed to be immaterial and therefore will not preclude a determination by the Board of Directors that the director is independent for purposes of the NYSE listing standards:

1. Depository and other banking and financial services

relationships (excluding extensions of credit which are covered in paragraph 2), including transfer agent, registrar, indenture trustee, other trust and fiduciary services, personal banking, capital markets, investment banking, equity research, asset management, investment management, custodian, securities brokerage, financial planning, cash management, insurance brokerage, broker/dealer, express processing, merchant processing, bill payment processing, check clearing, credit card and other similar services, provided that the relationship is 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.

2. An extension of credit, provided that, at the time of the initial approval of the extension of credit as to (1), (2) and (3), (1) such extension of credit was in the ordinary course of business, (2) such extension of credit was made in compliance with applicable law, including Regulation O of the Federal Reserve, Section 23A and 23B of the Federal Reserve Act and Section 13(k) of the Securities and Exchange Act of 1934, (3) such extension of credit was on substantially the same terms as those

prevailing at the time for comparable transactions with non-affiliated persons, and (4) the extension of credit has not been placed on non-accrual status.

3. Contributions (other than mandatory matching contributions) made by the Corporation or any of its subsidiaries or First Horizon Foundation to a charitable organization as to which the director is an executive officer, director, or trustee or holds a similar position or as to which an immediate family member of the director is an executive officer; provided that the amount of the contributions to the charitable organization in a fiscal year does not

exceed the greater of $500,000 or 2% of the charitable organization s consolidated gross revenue (based on the charitable organization s latest available income statement).

4. Vendor or other business relationships (excluding banking and financial services relationships and extensions of credit covered by paragraph 1 or 2 above), provided that the relationship is 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.

5. All compensation and benefits provided to

non-employee directors for service as a director.

6. All compensation and benefits provided in the ordinary course of business to an immediate family member of a director for services to the Corporation or any of its subsidiaries as long as such immediate family member is compensated comparably to similarly situated employees and is not an executive officer of the

Corporation or based on salary and bonus within the top 1,000 most highly compensated employees of the Corporation.

Excluded from relationships considered by the Board is any relationship (except contributions included in category 3) between the Corporation and its subsidiaries, on the one hand, and a company or other entity as to which the director or an immediate family member is a director or, in the case of an immediate family member, an employee (but not an executive officer or significant shareholder), on the other hand.

The fact that a particular relationship or transaction is not addressed by these standards or exceeds the thresholds in these standards does not create a presumption that the director is or is not independent.

The following definitions apply to the categorical standards listed above:

Corporation means First Horizon National Corporation and its consolidated subsidiaries.

Executive Officer means an entity s president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice president of the entity in charge of a principal business unit, division or function, any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the entity.

Immediate family members of a director means the director s spouse, parents, children, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law and anyone (other than domestic employees) who shares the director s home.

Significant shareholder means a passive investor [meaning a person who is not in control of the entity] who beneficially owns more than 10% of the outstanding equity, partnership or membership interests of an entity. Beneficial ownership will be determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934.

Board Leadership Structure and Role in Risk Oversight

Board Leadership Structure. First Horizon s Board leadership structure has evolved significantly in the past several years. Prior to January 2007, the Chairman of the Board and Chief Executive Officer roles were held by the same individual (except for two transition periods relating to CEO succession). In January 2007, the Board made certain governance changes in order to facilitate the implementation of strategic changes it was then initiating, including the appointment of a new CEO and of a separate individual as the Chairman of the Board. Under the Bylaws, the position of Chairman of the Board was at that time an executive officer position, but on April 20, 2009, the Board adopted amendments to the Bylaws that made the position of Chairman of the Board a non-officer position. Finally, effective as of January 1, 2012, the Board elected Mr. Jordan, our President and CEO, as Chairman of the Board as well.

Under First Horizon s current Bylaws, the Chairman of the Board presides at all meetings of the shareholders and of the Board (except, with respect to meetings of the Board, as the Board may otherwise determine) and has the powers and performs the duties as are normally incident to the position and as may be assigned by the Board. The Chief Executive Officer is responsible for carrying out the orders of and the resolutions and policies adopted by the Board, has general management of the business of the Corporation and exercises general supervision over all of its affairs.

Under our Corporate Governance Guidelines, the Board designates our independent lead director from time to time from among the members of the Nominating & Corporate Governance Committee. Mr. Martin, who is independent under the listing standards of the NYSE, is currently serving as lead director for the Board. The lead director s responsibilities include, among other things, supporting the Chairman of the Board in developing (in conjunction with the Corporate Secretary) the agenda for each Board meeting and in defining the scope, quality, quantity and timeliness of the flow of information between management and the Board; presiding at executive sessions of the Board; conducting interviews with individual directors as part of the annual Board self-evaluation process; receiving reports from directors who have concerns about another director s performance pursuant to our process for individual director performance evaluations; and receiving communications from shareholders pursuant to our process for communications with the Board.

We believe that our current board leadership structure, with a combined CEO and Chairman position, is most appropriate for our company at this time. Given the challenging economic and regulatory environment we face and the headwinds created by a strategy pursued by former management, we have re- focused on our regional banking and capital markets businesses, endeavoring to control what is controllable and to prepare for what is not. We believe that combining the roles of CEO and Chairman facilitates our prudent management of the company in this environment. Holding both roles best positions Mr. Jordan as CEO and Chairman to be aware of major issues facing the company on a day-to-day and long-term basis and to identify key risks and developments facing the company that should be brought to the Board s attention. The combined role also provides a single point of leadership for the company at a time when it is crucial for the company to maintain a unified message and strategic direction.

The combined CEO/Chairman position is counterbalanced by our strong lead director position, currently held by Mr. Martin, a long-time director and chair of the Executive & Risk Committee. The lead director, who has the responsibilities described above, provides an independent voice on issues facing the company and ensures that key issues are brought to the Board s attention. The Board and its committees also regularly hold executive sessions presided over by the lead director or committee chairs with no members of management present, thereby providing an opportunity for the independent directors to discuss their views freely. There were four such executive sessions of the Board during 2011. The Board itself has a high degree of independence, with all ten of the non-employee directors who are standing for election qualifying as independent under the NYSE listing standards.

We recognize that different board leadership structures may be appropriate for First Horizon at different times and in different situations. As part of our Board self-evaluation process, the Board annually evaluates the company s leadership structure to ensure that it provides the most appropriate structure. As stated in our Corporate Governance Guidelines, the Board is free to select its Chairman and First Horizon s Chief Executive Officer in the manner it considers in the best interests of the company at any given point in time. The Board has separated the roles of Chairman and CEO in the recent past and will consider doing so in the future should circumstances arise that make such separation appropriate.

Board Role in Risk Oversight. As stated in our Corporate Governance Guidelines, oversight of risk management is central to the role of the Board. In 2010, the Board conducted a comprehensive review of the company s risk management processes and made several changes to restructure and enhance those processes; these changes are reflected in a newly adopted Board policy on risk management governance. The changes include delegation of primary responsibility for enterprise risk management oversight to the Credit Policy & Executive Committee, which was at the same time renamed as the Executive & Risk Committee to reflect the Committee s new risk-related duties. In addition to the credit risk oversight responsibility that the Committee already had, the Committee s charter was revised to authorize and direct the Committee to assist the Board in its oversight of First Horizon s enterprise risk management governance and processes, including the management of market, operational, liquidity, interest rate sensitivity and equity investment risks, including emerging risks, the adoption and implementation of significant risk and compliance policies and First Horizon s risk appetite. In fulfilling its risk responsibilities, the Board delegated the following duties to the Committee: to review periodically and recommend to the Board the risk appetite parameters to be employed by management in operating the company; to receive information on First Horizon s business practices, policies and procedures related to the risks listed above; to monitor results to ensure alignment with First Horizon s risk appetite; to review periodic risk and compliance reports from the Chief Risk Officer and the Chief Credit Officer, including reports on major risk exposures and steps taken to monitor, mitigate and control such exposures; to review periodically with management regulatory correspondence and actions; and to establish risk management and compliance policies required to be approved by the Board or a committee of the Board.

Other Board committees continue to play a role in First Horizon s risk management processes as well. In accordance with the NYSE listing standards and its charter, the Audit Committee, which formerly had primary responsibility for oversight of risk management, retained an oversight role in that area, including receiving reports from the internal auditor regarding risk governance, risk assessment and risk management, the adequacy of the company s policies and compliance with legal and regulatory requirements. Pursuant to its charter, the Audit Committee also reviews employee complaints or material reports or inquiries received from regulators or government agencies and management s responses; meets periodically with the company s Chief Risk Officer to discuss any risk and compliance matters that may have a material effect on the company s financial statements or internal controls; discusses any significant compliance issues raised in reports or inquiries received from regulators or government agencies; reviews periodic reports regarding the Compliance and Ethics Program on the effectiveness of that program; and discusses with the General Counsel pending and threatened claims that may have a material impact on the financial statements. The chair of the Audit Committee, Ms. Palmer, is currently also a member of the Executive & Risk Committee, which facilitates coordination between the Audit Committee and the Executive & Risk Committee relative to their respective risk oversight responsibilities. The Compensation Committee is chiefly responsible for compensation-related risks. The charter of the Committee requires the Committee to oversee our compliance with all applicable laws and regulations, both currently in existence and as may be adopted in the future, relating to (i) appropriate management of the risks associated with incentive compensation programs or arrangements or (ii) public, regulatory, or other reporting associated with such risks. Each of these committees also receives regular reports from management regarding the company s risks and reports regularly to the full Board concerning risk.

Composition of Board Committees

The Audit Committee, the Compensation Committee and the Nominating & Corporate Governance Committee are each composed of directors who are independent, as defined above under the heading Independence and Categorical Standards beginning on page 5. The current membership of each of the Board s standing committees is set forth in the table below. Membership and chairmanship continued during the entire period from January 1, 2011 until the filing of this proxy statement unless otherwise indicated in the notes following the table.

Executive & Risk Committee	Audit Committee	Compensation Committee	Nominating & Corporate Governance Committee
James A. Haslam, III D. Bryan Jordan R. Brad Martin (chair) Vicki R. Palmer Michael D. Rose William B. Sansom	Robert B. Carter Mark A. Emkes Vicky B. Gregg[1] Vicki R. Palmer (chair) Luke Yancy III	John C. Compton[2] Mark A. Emkes James A. Haslam, III R. Brad Martin Colin V. Reed (chair)	Robert B. Carter (chair)[3] John C. Compton[2] R. Brad Martin Scott M. Niswonger[4] Colin V. Reed

1. Ms. Gregg became a director on January 18, 2011, and her service on the Audit and Trust Committees commenced on that date.

2. Mr. Compton became a director on February 23, 2011, and his membership on these committees commenced

on April 19, 2011.

3. Mr. Martin served as chair of this committee until April 18, 2011, and Mr. Carter has served as chair since that date.

4. Mr. Niswonger became a director on October 17, 2011, and his membership on this committee commenced on December 23, 2011.

Mr. Yancy also serves as chair of the Trust Committee, a standing committee of the Bank on which Ms. Gregg and Messrs. Niswonger and Sansom also serve.

The Executive & Risk Committee

The Executive & Risk Committee was established by our Board of Directors and operates under a written charter, which was last amended in April 2010 to reflect the Committee s new risk-related duties assigned to it in connection with the Board s comprehensive review during 2010 of the company s risk management processes. The charter is currently available on our website at www.fhnc.com under the Corporate Governance heading in the Investor Relations area. Paper copies are available to shareholders upon request to the Corporate Secretary.

The Board has delegated primary responsibility for enterprise risk management oversight to Executive & Risk Committee. Additional information on the Committee s risk-related duties is available under the heading Board Leadership Structure and Role in Risk Oversight beginning on page 7 above. In connection with its credit risk responsibilities, the Committee oversees First Horizon s independent Credit Risk Assurance department. As an executive committee, the Committee is authorized and empowered to exercise during the intervals between meetings of the Board all authority of the Board of Directors, except as prohibited by applicable law and provided that it may not approve acquisitions, divestitures or the entry into definitive agreements (not in the ordinary course of business) where the purchase or sale price or transaction amount exceeds $100 million. Also, no authority has been delegated to the Committee in its charter to approve any acquisition involving the issuance of our stock.

The Audit Committee

In General. The Audit Committee was established by our Board of Directors and operates under a written charter that was last amended and restated in July 2011 to clarify the Committee s role in receiving reports on First Horizon s Compliance and Ethics Program. The charter is available on our website at www.fhnc.com under the

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Corporate Governance heading in the Investor Relations area. Paper copies are available to shareholders upon request to the Corporate Secretary.

Subject to the limitations and provisions of its charter, the Committee assists our Board in its oversight of our accounting and financial reporting principles and policies, internal audit controls and procedures, the integrity of our financial statements, our compliance with legal and regulatory requirements, the independent auditor s qualifications and independence, and the performance of the independent auditor and our internal audit function. The Committee is directly responsible for the appointment (subject, if applicable, to shareholder ratification), retention, compensation and termination of the independent auditor as well as for overseeing the work of and evaluating the independent auditor and its independence. The members of the Committee are themselves independent, as that term is defined in the NYSE listing standards (described above), and meet the additional independence requirements prescribed by Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, and the rules of the SEC promulgated thereunder. In addition, the Board of Directors has determined that all the members of the Committee are financially literate as required by the NYSE listing standards. The Audit Committee s Report is included below.

Audit Committee Financial Expert. The Board of Directors has determined that Vicki R. Palmer (chair of the Audit Committee) is an audit committee financial expert, as that term is defined in Item 407(d)(5) of SEC Regulation S-K. After receiving her B.A. in economics and business administration from Rhodes College and her M.B.A. in finance from The University of Memphis, Ms. Palmer was employed as a commercial loan officer with the Bank, where she was trained in and worked daily in evaluating financial statements of corporate customers in connection with their credit applications. In 1978, she joined Federal Express Corporation as Manager of Corporate Finance, and her major areas of responsibility included debt financing, cash management and pension asset management. Ms. Palmer joined The Coca-Cola Company in 1983 as Manager of Pension Investments, thus becoming responsible for the company s worldwide pension assets. Upon moving to Coca-Cola Enterprises, Inc. (CCE) in 1986, she was involved at the inception of the company with the evaluation of company-wide financial results and the establishment of internal controls. Until January 2004, Ms. Palmer served as Senior Vice President, Treasurer and Special Assistant to the CEO. In this position, she was responsible for management of CCE s $12 billion multi-currency debt portfolio; its $2.5 billion pension plan and 401(k) plan investments; currency management; global cash management; and commercial and investment banking relationships. In 2004, she became Executive Vice President, Financial Services and Administration, responsible for overseeing treasury, pension and retirement benefits, asset management, internal audit and risk management. In this position she was a member of CCE s Risk Committee, which was charged with establishing policy and internal controls for hedging and financial and non-financial derivatives. In addition, she served on CCE s Senior Executive Committee and had oversight responsibility for CCE s enterprise-wide risk assessment process. Ms. Palmer also served for over ten years on CCE s Financial Reporting Committee, which reviewed the company s financial statements and dealt periodically with accounting issues, and in her most recent position with CCE she supervised the treasurer who served on this committee. Ms. Palmer retired as a CCE officer on April 1, 2009. She is currently the President of The Palmer Group, LLC, a general consulting firm. She was a member of our Audit Committee from January 1995 to April 1999 and chaired the Committee from April 1996 to April 1999, and she returned to that Committee as chair in April 2003. She is also a member of the audit committee of another public company, Haverty Furniture Companies Inc.

The Board of Directors has also determined that Vicky B. Gregg (a member of the Audit Committee) is an audit committee financial expert, as that term is defined in Item 407(d)(5) of SEC Regulation S-K. A nurse by education, Ms. Gregg received training in finance and accounting upon entering the management training program at Humana, Inc. She went on to hold a variety of positions with Humana over the course of fifteen years, culminating in the position of Regional Vice President, and later became President and CEO of Volunteer State Health Plan, a subsidiary of BlueCross BlueShield of Tennessee (BCBST) and one of the largest Medicaid health maintenance organizations in the country. Both positions involved oversight responsibility for financial statements that were filed with state insurance regulators. She has held her current position as Chief Executive Officer of BCBST since 2003. In that position, she has overall responsibility for the financial statements, actively supervising the Chief Financial Officer, who reports to her, and regularly reviewing results and discussing issues relating to the BCBST financial statements with the CFO. BCBST prepares financial statements in accordance with accounting practices prescribed by state insurance laws and regulations and also prepares financial statements in conformity with U.S. generally accepted accounting practices. The BCBST board has voluntarily elected to adopt the requirements of Section 404 of the Sarbanes-Oxley Act regarding internal control over financial reporting. As

BCBST CEO, Ms. Gregg regularly signs certificates regarding the effectiveness of BCBST s internal controls over financial reporting in accordance with Section 404. The audit committee, of which Ms. Gregg is an ex officio member, is accountable for BCBST s internal controls, and the head of BCBST s internal audit division reports to the audit committee and the CFO.

The Board of Directors also determined in 2006 that Colin V. Reed, who was a member of the Audit Committee until November 2008 but who is no longer serving on the Audit Committee, was an audit committee financial expert. Mr. Reed spent several years early in his career as assistant chief accountant and chief accountant, respectively, at a life insurance and investment banking company and a large hotel in England. He went on to spend eight years with Holiday Inns, initially as U.K. financial controller and ultimately as CFO for the company s European, Middle East and African operations. He moved to the U.S. in the 1980s to assist with the leveraged recapitalization of that company that ended in the sale of Holiday Inns, the formation of Promus Companies and the subsequent split of Promus from Harrah s Entertainment, Inc. Mr. Reed then became CFO and a member of the three person executive committee of Harrah s. He currently serves as Chairman and CEO of Gaylord Entertainment Company. Mr. Reed is a fellow of the British Association of Hotel Accountants.

Each of Mesdames Palmer and Gregg and Mr. Reed meet in all respects the independence requirements of the NYSE and Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, and the rules of the SEC promulgated thereunder.

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate future filings by reference, including this proxy statement, in whole or in part, the following Audit Committee Report and the statements regarding members of the Committee who are not independent (if any) shall not be incorporated by reference into any such filings.

Audit Committee Report. The roles of the Audit Committee (Committee) are (1) to assist First Horizon s Board of Directors in its oversight of (a) the Corporation s accounting and financial reporting principles and policies and internal audit controls and procedures, (b) the integrity of its financial statements, (c) its compliance with legal and regulatory requirements, (d) the independent auditor s qualifications and independence, and (e) the performance of the independent auditor and internal audit function; and (2) to prepare this report to be included in First Horizon s annual proxy statement pursuant to the proxy rules of the SEC. The Committee operates pursuant to a charter that was last amended and restated by the Board in 2011. As set forth in the Committee s charter, management of First Horizon is responsible for preparation, presentation and integrity of the Corporation s financial statements and for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures to provide for compliance with accounting standards and applicable laws and regulations, and the internal auditor is responsible for testing such internal controls and procedures. The independent auditor is responsible for planning and carrying out audits of the Corporation s annual financial statements and effectiveness of internal control over financial reporting, reviews of the Corporation s quarterly financial statements prior to the filing of each quarterly report on Form 10-Q and certain other procedures.

In the performance of its oversight function, the Committee has considered and discussed the audited financial statements with management and the independent auditors. The Committee has also discussed with the Chief Executive Officer and Chief Financial Officer their respective certifications that were included in First Horizon s Annual Report on Form 10-K for the year ended December 31, 2011. The Committee has also discussed with the independent auditors the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. Finally, the Committee has received the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the audit committee concerning independence, has adopted an audit and non-audit services pre-approval policy and considered whether the provision of non-audit services by the independent auditors to First Horizon is compatible with maintaining the auditor s independence and has discussed with the auditors the auditors independence.

While the Board of Directors has determined that each member of the Audit Committee has the broad level of general financial experience required to serve on the Committee and that Ms. Palmer and Ms. Gregg are audit committee financial experts as that term is defined in Item 407(d)(5) of Regulation S-K, none of the members of the Committee currently devotes specific attention to the narrower fields of auditing or accounting or is professionally engaged in the practice of auditing or accounting, nor are they performing the functions of auditors or accountants, nor are they experts in respect of auditor independence. Members of the Committee rely without independent verification on the information provided to them and on the representations made by management and the independent auditors. Accordingly, the Committee s oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Committee s considerations and discussions referred to above do not assure that the audit of First Horizon s financial statements has been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles or that First Horizon s auditors are in fact independent.

Based upon the reports and discussions described in this report, and subject to the limitations on the role and responsibilities of the Committee referred to above and in the Committee s charter, the Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2011, to be filed with the SEC.

Submitted by the Audit Committee of our Board of Directors.

Audit Committee

Vicki R. Palmer, Chair
Robert B. Carter
Mark A. Emkes
Vicky B. Gregg
Luke Yancy III

The Nominating & Corporate Governance Committee

In General. The Nominating & Corporate Governance Committee operates under a written charter that is available on our website at www.fhnc.com under the Corporate Governance heading in the Investor Relations area. Paper copies are available to shareholders upon request to the Corporate Secretary. The charter was last amended in January 2009 to delete a reference to the classified board. The purposes of the Nominating & Corporate Governance Committee are (1) to identify and recommend to the Board individuals for nomination as members of the Board and its committees, (2) to develop and recommend to the Board a set of corporate governance principles applicable to First Horizon, and (3) to oversee the evaluation of the Board and management.

Nominations of Directors; Consideration of Diversity in Identifying Director Nominees. With respect to the nominating process, the Nominating & Corporate Governance Committee discusses and evaluates possible candidates in detail and suggests individuals whose potential membership on the Board could be explored in greater depth. The Committee recommends new nominees for the position of independent director based on the following criteria:

Personal qualities and characteristics, experience, accomplishments and reputation in the business community.

Current knowledge and contacts in the communities in which the Corporation does business and in the Corporation s industry or other industries relevant to the Corporation s business.

Diversity of viewpoints, background, experience and other demographics.

Ability and willingness to commit adequate time to Board and committee matters.

- The fit of the individual s skills and personality with those of other directors and potential directors in building a Board that is effective and responsive to its duties and responsibilities.

The Nominating & Corporate Governance Committee does not set specific, minimum qualifications that nominees must meet in order for the Committee to recommend them to the Board of Directors, but rather believes that each nominee should be evaluated based on his or her individual merits, taking into account the needs of the Corporation and the composition of the Board of Directors.

As described above and set forth in our Corporate Governance Guidelines, diversity, broadly defined to mean diversity of viewpoints, background, experience and other demographics, is one criterion on which the Committee bases its recommendations of new nominees for director positions. The inclusion of diversity in the listed criteria for director nominees reflects the Board s belief that diversity, broadly defined, is important to the effective functioning of the Board. More generally, our Board-adopted Code of Business Conduct and Ethics reflects First Horizon s firm commitment to non-discrimination and equal opportunity for employees, customers and suppliers and to treatment of everyone without discrimination or harassment based on race, color, religion, sex, sexual orientation, gender identity, national origin, age, veteran status or disability. However, neither the Committee nor the Board has a formal policy with regard to the consideration of diversity in identifying director nominees.

Once a candidate is identified whom the Committee wants seriously to consider and move toward nomination, the Chairman of the Board and Chief Executive Officer and/or other directors as the Committee determines will enter into a discussion with that nominee.

Shareholder Recommendations of Director Nominees. The Nominating & Corporate Governance Committee will consider individuals recommended by shareholders as director nominees, and any such individual is given appropriate consideration in the same manner as individuals recommended by the Committee. Shareholders who wish to submit individuals for consideration by the Nominating & Corporate Governance Committee as director nominees may do so by submitting, in compliance with the procedures and along with the other information required by our Bylaws (as described below), a notice in writing that gives such individuals names to the Corporate Secretary. Our Bylaws require that to be timely, a shareholder s notice must be delivered to or mailed and received at our principal executive offices not less than 90 days nor more than 120 days prior to the date of the meeting. However, if fewer than 100 days notice or prior public disclosure of the date of the meeting is given or made to shareholders, a notice by a shareholder to be timely must be so delivered or received not later than the close of business on the 10th day following the earlier of (i) the day on which such notice of the date of such meeting was mailed or (ii) the day on which such public disclosure was made. A shareholder s notice must state:

- the name, age, business address and residence address of the person whom the shareholder proposes to nominate; the principal occupation or employment of such person; the class and number of shares of First Horizon that are beneficially owned by such person on the date of the notice;

any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors or is otherwise required, in each case pursuant to Regulation 14A under the Securities

Exchange Act of 1934, as amended (including, without limitation, such person s written consent to being named in the proxy statement as a nominee and to serving as a director if elected);

the name and address, as they appear on our books, of the shareholder giving the notice and any other shareholders known by such shareholder to be supporting the proposed nominee; and

the class and number of shares of our stock which are beneficially owned by the shareholder giving the notice on the date of the notice and by any other shareholders known by the shareholder giving the notice to be supporting the proposed nominee on the date of such shareholder s notice.

The Compensation Committee

In General. The Compensation Committee operates under a written charter that is available on our website at www.fhnc.com under the Corporate Governance heading in the Investor Relations area and that is also attached to this proxy statement at Appendix A. Paper copies are available to shareholders upon request to the Corporate Secretary. The charter was last amended and restated by the Board of Directors in July 2011 to clarify the Committee s responsibilities with respect to executive compensation, the oversight of the risk associated with incentive compensation programs and arrangements, and related reporting on both.

The purposes of the Compensation Committee are (1) to discharge the Board s responsibilities relating to the compensation of our executive officers, (2) to produce an annual report on executive compensation for inclusion in our proxy statement, in accordance with the rules and regulations of the SEC [the current report is set forth below], (3) to identify and recommend to the Board individuals for appointment as officers, (4) to evaluate our management, and (5) to carry out certain other duties as set forth in the Committee s charter.

Most of our executive compensation plans specify that they will be administered by a committee. The Committee s charter provides that the Committee will administer plan-committee functions under our various executive-level compensation plans. Under the charter, at least two members of the Committee must be outside directors for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and at least two members of the Committee must be non-employee directors for purposes of Section 16 of the Securities Exchange Act of 1934. Many of our plans have similar provisions concerning their respective plan committees. The charter stipulates that if a Committee member is disqualified under one or the other of those tests, then that member must recuse him- or herself from participating in decisions impacted by the relevant test. In that situation, the remaining members would constitute the Committee for that action. On occasion, in connection with a specific action, a Committee member may feel that his or her qualification under one of those tests may be in doubt for some reason; in that case, the member may elect recusal to avoid any risk of possible disqualification.

Processes and Procedures Regarding Executive and Director Compensation. The charter of the Compensation Committee provides that the Committee has the authority to review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the performance of the CEO in light of those goals and objectives, and set the CEO s compensation level based on this evaluation and to fix the compensation, including bonus and other compensation and any severance or similar termination payments, of executive officers. The Committee also has the authority, pursuant to its charter, to make recommendations to the Board concerning the adoption or amendment of employee benefit plans, management compensation plans, incentive compensation plans and equity-based plans, including plans applicable to executive officers, and to make recommendations to the Board concerning director compensation. The charter also provides that the Committee will oversee First Horizon s compliance with all applicable laws and regulations, both currently in existence and as may be adopted in the future, relating to appropriate management of the risks associated with incentive compensation programs or arrangements, to the compensation of First Horizon s executive officers and to any reporting associated with either. The Committee may not delegate any of the authority described in this paragraph related to executive and director compensation to any other persons. In 2011, the Committee met six times for the principal purposes of executing its responsibilities under the Committee s charter, and four of those meetings concluded with an executive session during which management was not present.

The Committee generally conducts a review of First Horizon s director compensation program once every two years. The last comprehensive review took place during 2011. During each comprehensive review, director compensation is reviewed and considered by management and recommended to the Committee, either as a short list of alternatives or as single-item recommendations. In general, management uses a consultant in formulating many of its recommendations, both for advice in designing director compensation and as a source of peer-company data. (Additional information on the use of consultants in compensation matters is provided below.) Management also prepares various presentations, analyses, and other tools for the Committee to use in considering director compensation decisions. The outcome of the 2011 review process was a finding that the current director compensation program is appropriate and competitive, and no changes were made at that time.

The Committee generally determines the CEO s salary on an annual basis in executive session independent of management. That determination is based on a review of the CEO s personal plan results for the prior year, along with peer CEO salary data provided by management s compensation consultant as well as input from the Committee s compensation consultant. The CEO is not involved in the determination of his own salary.

Our CEO recommends to the Committee salary levels for the executive officers other than himself. Other compensation matters (bonus, equity awards, etc.) involving executives are considered and reviewed by management, including the CEO, and recommended to the Committee, either as a short list of alternatives or as single-item recommendations. Management uses a consultant in formulating many of its recommendations, both for advice and as a source of peer-company data. Management also prepares various presentations, analyses, forecasts, and other tools for the Committee to use in considering compensation decisions during the year. The Committee s consultant reviews all proposals and makes recommendations to the Committee.

Management monitors and considers new or modified benefit programs used by other companies, or needed within our company, to attract and retain key employees. Recommendations are presented by management to the Committee for review and discussion. The CEO ultimately oversees these management processes. New benefit plans, or significant amendments to existing plans, typically are approved by the full Board based on recommendations from the Committee. Enrollment and other administrative actions associated with the benefit plans are handled mainly through third party vendors in accordance with the terms in the Board-approved plans. If executive-level exceptions are required for administration of the plans, such as approval of an early retirement, management generally reviews the facts of the situation and provides a recommendation to the Committee for approval.

Management uses national compensation consulting firms to provide advice with respect to executive and director compensation matters. Management also uses a number of other specialist firms to provide data relevant to specific needs such as funding for nonqualified deferred compensation and any special compensation arrangements that are unique to specific business units such as the capital markets industry. The consultants provide competitive data/trends, keep management informed of best practices and work with management to develop programs that permit the Corporation to attract and retain the talent needed. In 2011, management engaged McLagan as its primary advisor for executive and director compensation matters. Among other things, management directed McLagan to provide objective advice to management, the Committee and the Board on executive and director compensation, to provide expertise in executive and director compensation design, market practices in our industry and data to support recommendations, and to ensure timely reports to management and the Committee on all critical accounting, tax, securities law and market developments and trends relating to executive and director compensation. In addition, management engages nationally-recognized law firms as appropriate to provide advice on compliance with new laws, administration of stock plans, and compensation-related agreements and arrangements.

In 2011, the Compensation Committee continued its engagement of Frederic W. Cook & Co., Inc. to provide it with independent analysis and advice on all compensation-related matters. Among other things, the independent consultant assists the Committee in its reviews of compensation program actions recommended by management, reviewing the chosen peer group and survey data for competitive comparisons and advising the Committee on best practices and ideas for board governance of executive compensation. The Cook firm was specifically directed to undertake no work on behalf of management, and the firm has no other relationships with the Corporation or management.

Compensation Risk. Management and the Committee seek to balance several competing corporate goals: to provide competitive compensation packages that motivate employees to achieve key corporate goals through appropriate risk-taking; to discourage inappropriate risk-taking; and to comply with evolving regulatory standards concerning compensation and risk management. At least once each year the Committee meets with management to review and assess risks associated with incentive compensation plans of the Corporation. For 2011 management surveyed all incentive plans used throughout the Corporation using several specific criteria for identifying those incentive plans which represented material inherent risk. Those criteria were payout levels (overall and per person), qualitative assessment of the impact on company risk-taking, and qualitative assessment of the plan s administration. For those plans judged to have material inherent risk, management assessed the residual risk of each, taking into account, among other things, the specific inherent risks which had been identified for the plan, the specific controls established in relation to those risks, and the implementation of those controls in the operation of the plan. Management then conducted a review in which residual risk was assessed for those plans identified as having material inherent risk. Based on that work, management has reported to the Committee that each incentive plan which entails material inherent risk has low residual risk after considering applicable controls and other relevant factors.

Management also considered possible enhancements of incentive plans related to risk management. Key secondary goals that arose during 2011 were to: (i) identify incentive plans where goals could be profit-based rather than revenue-based; and (ii) identify plans where mandatory deferral mechanisms could be introduced or significantly enhanced. A shift away from revenues in favor of profits is intended to expand the scope of the incentive to encompass the costs associated with creating revenues. A mandatory deferral feature can be used to measure the results of a one-year incentive against a time frame longer than a single year so that, for example, potential unforeseen or unknowable costs of an activity have time to come to light. Deferral also is used to buttress the Corporation s compensation recovery policy and its stock ownership guidelines.

The Corporation believes that progress towards the secondary goals was achieved in 2011 and intends to continue those efforts in 2012. For example, most 2011 corporate annual bonuses, including those of most executive officers, used a profit metric and also incorporated a qualitative assessment of risk related to performance. In 2011 the Corporation implemented a mandatory deferral feature for the Management Incentive Plan annual bonuses: 40% of most MIP bonuses earned for 2011 were deferred in the form of service-vested restricted shares. The value of those shares is at risk for changes in First Horizon s stock price during the vesting period. Also in 2011 a mandatory deferral feature was added to certain incentive programs covering many employees who do not participate in the MIP. For most banking employees the Corporation expects that 2012 bonus opportunities will use a profit metric tailored, in many cases, to the applicable division or unit.

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate future filings by reference, including this proxy statement, in whole or in part, the following Compensation Committee Report shall not be incorporated by reference into any such filings.

Compensation Committee Report. The Compensation Committee of our Board of Directors has reviewed and discussed with management, among other things, the section of this proxy statement captioned Compensation Discussion and Analysis beginning on page 41. Based on that review and discussion, the Compensation Committee recommended to our Board that the Compensation Discussion and Analysis section be included in this proxy statement.

Compensation Committee

Colin V. Reed, Chair
John C. Compton
Mark A. Emkes
James A. Haslam, III
R. Brad Martin

Compensation Committee Interlocks and Insider Participation

Messrs. Compton, Emkes, Haslam, Martin, and Reed, all non-employee directors, served as members of the Board of Director s Compensation Committee during 2011. Mr. Compton s service on the Committee began on April 19, 2011. All the other Committee members served throughout 2011, and no other directors served on the Compensation Committee during 2011. Refer to the table in Corporate Governance and Board Matters Composition of Board Committees above for additional committee information. No interlocking relationships existed with respect to any of the members of the Committee.

Board and Committee Meeting Attendance

During 2011, the Board of Directors held six meetings (four of which took place over a period of two days each) and took action by written consent twice. The Compensation Committee held six meetings, the Nominating & Corporate Governance Committee held five meetings, the Audit Committee held eight meetings and the Executive & Risk Committee held nine meetings. The average attendance at Board and committee meetings exceeded 94 percent. No director who served on our Board during 2011 attended fewer than 75 percent of the meetings of the Board and the committees of the Board on which he or she served. As set forth in our Corporate Governance Guidelines, our directors are expected to make every effort to attend every meeting of First Horizon s shareholders. For the last 10 years, all of our directors have been in attendance at every annual meeting of shareholders, except for one director in 2004.

Executive Sessions

To ensure free and open discussion and communication among the non-management directors of the Board and its committees, our Corporate Governance Guidelines provide that the non-management directors will meet in regularly scheduled executive sessions and as often as the Board shall request, with no members of management present. During 2011, the non-management directors met four times in executive session of the Board. Our Corporate Governance Guidelines also provide that if any non-management directors are not independent under NYSE listing standards, the independent, non-management directors will meet in executive session at least once a year. During 2011, our independent, non-management directors met in executive session four times. The lead director, currently Mr. Martin, presides at the executive sessions of the Board.

Communication with the Board of Directors

A shareholder who desires to communicate with the Board of Directors on matters other than director nominations should submit his or her communication in writing to the lead director, c/o Corporate Secretary, First Horizon National Corporation, 165 Madison Avenue, Memphis, Tennessee 38103, and identify himself or herself as a shareholder. The Corporate Secretary will forward all communications to the lead director for a determination as to how to proceed. Other interested parties desiring to communicate with the Board of Directors should submit their communications in the same manner.

Procedures for the Approval, Monitoring, and Ratification of Related Party Transactions

The Audit Committee of the Board has adopted procedures for the approval, monitoring, and ratification of transactions between the Corporation, on the one hand, and our directors, executive officers or 5% shareholders, their immediate family members, their affiliated entities and their immediate family members affiliated entities, on the other hand. A copy of our procedures is available on our website at www.fhnc.com under the Corporate Governance heading in the Investor Relations area. Our procedures require management to submit any proposed related party transaction (defined as a transaction that is required to be disclosed in our proxy statement pursuant to the requirements of Item 404(a) of Regulation S-K promulgated by the SEC) or amendment to an existing related party transaction to the Audit Committee for approval or ratification. In some cases, the matter may be determined by the chair of the Audit Committee. In considering whether to approve a given transaction, the Audit Committee (or chair) must consider:

whether the terms of the related party transaction are fair to First Horizon and on terms at least as favorable as would apply if the other party was not, or did not have an affiliation with, a director or executive officer of First Horizon;

whether First Horizon is currently engaged in other related party transactions with the related party at issue or other related parties of the same director or executive officer;

whether there are demonstrable business reasons for First Horizon to enter into the related party transaction;

whether the related party transaction would impair the independence of a director; and

whether the related party transaction would present an improper conflict of interest for any director or executive officer of First Horizon, taking into account the size of the transaction, the overall financial position of the director or executive officer, the direct or indirect nature of the interest of the director or executive officer in the transaction, the ongoing nature of any proposed relationship, and any other factors the Audit Committee deems relevant.

Transactions with Related Persons

The Corporation, the Bank and the subsidiaries of each, as applicable, have entered into lending transactions and/or other banking or financial services transactions in the ordinary course of business with our executive officers, directors, nominees, their immediately family members and affiliated entities, and the persons of which we are aware that beneficially own more than 5 percent of our common stock, and we expect to have such transactions in the future. Such transactions were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with persons not related to the Corporation, and did not involve more than the normal risk of collectibility or present other unfavorable features.

STOCK OWNERSHIP INFORMATION

As of December 31, 2011, there were 6,845 shareholders of record of our common stock. To our knowledge, there were four persons who owned beneficially, as that term is defined by Rule 13d-3 of the Securities Exchange Act of 1934, more than five percent (5%) of our common stock as of December 31, 2011. Certain information concerning beneficial ownership of our common stock by those persons as of December 31, 2011 is set forth in the following table:

Security Ownership of Certain Beneficial Owners

Name and Address of Beneficial Owner*	Amount and Nature of Beneficial Ownership	Percent of Class
The Guardian Life Insurance Company of America	24,452,630	9.3 %
T. Rowe Price Associates, Inc.	21,895,000	8.3 %
State Street Corporation	14,178,195	5.4 %
The Vanguard Group, Inc.	13,767,441	5.22 %

* Addresses appear in the text below.

The information in the table above with respect to The Guardian Life Insurance Company of America is based on information set forth in Schedule 13G, filed with the Securities and Exchange Commission on February 9, 2012 jointly by The Guardian Life Insurance Company of America and its subsidiaries, Guardian Investor Services LLC and RS Investment Management Co. LLC, 7 Hanover Square, New York, NY 10004. According to this Schedule 13G, The Guardian Life Insurance Company of America has sole voting and dispositive power with respect to 12,235 shares of our common stock, shared voting power with respect to 23,919,719 shares of our common stock, and shared dispositive power with respect to 24,440,395 shares of our common stock. Guardian Investor Services LLC and RS Investment Management Co. LLC each has shared voting power with respect to 23,919,719 shares and shared dispositive power with respect to 24,440,395 shares of our common stock.

The information in the table above with respect to T. Rowe Price Associates, Inc. (TRP) is based on information set forth in Amendment No. 2 to Schedule 13G, filed with the Securities and Exchange Commission on February 13, 2012 by TRP, 100 E. Pratt Street, Baltimore, Maryland 21202. According to this document, TRP has sole voting power with respect to 2,864,937 shares of our common stock and sole dispositive power with respect to 21,895,000 shares of our common stock.

The information in the table above with respect to State Street Corporation is based on information set forth in Schedule 13G, filed with the Securities and Exchange Commission on February 9, 2012 on behalf of its subsidiaries State Street Bank and Trust Company, SSGA Funds Management, Inc., State Street Global Advisors Limited, State Street Global Advisors Ltd., State Street Global Advisors Australia Limited, State Street Global Advisors Japan Co., Ltd., and State Street Global Advisors, Asia Limited (collectively, State Street) by State Street, State Street Financial Center, One Lincoln Street, Boston, Massachusetts 02111. According to this document, State Street has shared voting and dispositive power with respect to all the shares of our common stock it beneficially owns.

The information in the table above with respect to The Vanguard Group, Inc. (Vanguard) is based on information set forth in Schedule 13G, filed with the Securities and Exchange Commission on February 9, 2012 by Vanguard, 100 Vanguard Boulevard, Malvern, Pennsylvania 19355. According to this Schedule 13G, Vanguard has sole voting power and shared dispositive power with respect to 358,700 shares of our common stock and sole dispositive power with respect to 13,408,741 shares of our common stock.

The table below sets forth certain information concerning beneficial ownership of our common stock by each director and nominee, each executive officer named in the Summary Compensation Table, and the directors and executive officers as a group. The information in the table is as of December 31, 2011 except as otherwise noted in the notes to the table.

Security Ownership of Management

Name of Beneficial Owner	Shares Beneficially Owned(1)(6)
Charles G. Burkett	403,427 (4)
Robert B. Carter	17,296 (3)
John C. Compton	14,257 (3)
Mark A. Emkes	17,981 (3)
Vicky B. Gregg	6,548 (3)
James A. Haslam, III	147,582 (3)

Name of Beneficial Owner	Shares Beneficially Owned(1)(6)
D. Bryan Jordan	940,098 (4)
Michael E. Kisber(2)	354,058 (4)
William C. Losch, III	104,989 (4)
R. Brad Martin(5)	562,645 (3)
Scott M. Niswonger	508,500 (3)
Vicki R. Palmer	103,084 (3)
David T. Popwell	174,487 (4)
Colin V. Reed	70,161 (3)
Michael D. Rose	196,228 (3)
William B. Sansom	143,572 (3)
Charles T. Tuggle, Jr.	159,724 (4)
Luke Yancy III	28,487 (3)
Directors and Executive Officers as a Group (22 persons)	4,063,192 (4)

(1) The respective directors, nominees and officers have sole voting and investment powers with respect to all of such shares except as specified in notes (3) and (4).

The numbers of shares covered by stock options reported in the table have been adjusted proportionately to reflect the effects of dividends paid in common stock from October 1, 2008 through January 1, 2011.

(2) The share balance for Mr.

Kisber does not include 27,994 shares deferred prior to January 2005 under our stock option program and our restricted stock incentive plan, which at that time permitted participants to defer receipt of shares upon the exercise of options and receipt of shares prior to the lapsing of restrictions imposed on restricted stock awards, respectively. These shares are not currently issued and are not considered to be beneficially owned for purposes of Rule 13d-3, but are reflected in a deferral account on our books as phantom stock units or restricted stock units.

(3) Includes the following shares of restricted stock with respect to which the non-employee director possesses sole voting power, but no investment

power: Mr. Carter 0; Mr. Compton 0; Mr. Emkes 0; Ms. Gregg 0; Mr. Haslam 483; Mr. Martin 1,930; Mr. Niswonger 0; Ms. Palmer 1,930; Mr. Reed 4,806; Mr. Rose 0; Mr. Sansom 0; and Mr. Yancy 483. Includes the following shares as to which the named non-employee directors have the right to acquire beneficial ownership through the exercise of stock options granted under our director plans, all of which are 100% vested or will have vested within 60 days of December 31, 2011: Mr. Carter 0; Mr. Compton 0; Mr. Emkes 0; Ms. Gregg 282; Mr. Haslam 56,712; Mr. Martin 47,071; Mr. Niswonger 0; Ms. Palmer 88,268; Mr. Reed 0; Mr. Rose 99,262; Mr. Sansom 106,114; and Mr. Yancy 12,761. Also includes, for each of

Messrs. Carter, Compton, Emkes, Haslam, Rose and Sansom and Ms. Gregg, 4,257 shares, and for Mr. Niswonger, 3,373 shares, as to which each of those directors acquired beneficial ownership through the vesting within 60 days of December 31, 2011 of restricted stock units granted as part of their director compensation. For additional information, see the section titled Director Compensation beginning on page 75 of this proxy statement.

(4) Includes the following shares of restricted stock with respect to which the named person or group has sole voting power but no investment power: Mr. Burkett 0; Mr. Jordan 419,681; Mr. Kisber 160,535; Mr. Losch 91,306; Mr.

Popwell 94,148; Mr. Tuggle 121,507; and the director and executive officer group 1,128,134. Includes the following shares as to which the named person or group has the right to acquire beneficial ownership through the exercise of stock options granted under our stock option plans, all of which are 100% vested or will have vested within 60 days of December 31, 2011: Mr. Burkett 120,656; Mr. Jordan 422,562; Mr. Kisber 110,198; Mr. Losch 12,151; Mr. Popwell 67,497; Mr. Tuggle 28,205; and the director and executive officer group 1,220,186. Also includes shares held at December 31, 2011 in 401(k) Savings Plan accounts. Director and executive officer group totals include all of our directors and executive officers as of the date of this proxy statement. Jeff L. Fleming became an executive officer on January 1, 2012, and his beneficial ownership as of that date is included in the group totals. The group totals do not include executive officers and directors who were not executive officers or directors, as applicable, as of the date of this proxy statement (Messrs. Burkett and Keen).

(5) The number of shares for Mr. Martin includes 48,014 shares held by the R. Brad Martin Family Foundation.

(6) No current individual director, nominee or executive officer beneficially owns more than one percent (1%) of our common stock that is outstanding. The director and executive officer group owns 1.58% of our common stock outstanding.

VOTE ITEM NO. 1 ELECTION OF DIRECTORS

The Board of Directors is proposing for election eleven of our thirteen current directors: Messrs. Carter, Compton, Emkes, Haslam, Jordan, Martin, Niswonger, Reed, and Yancy and Mmes. Gregg and Palmer, at the 2012 annual meeting, to hold office until the 2013 annual meeting of shareholders or until their successors are duly elected and qualified. Messrs. Rose and Sansom are not standing for re-election as they will be retiring as of the annual meeting of shareholders in accordance with the provisions of our Bylaws concerning the retirement of our non-employee directors. Mr. Niswonger was elected by the Board of Directors in October 2011. He was recommended as a nominee for a position on our Board by a non-management director. If any nominee proposed by the Board of Directors is unable to accept election, which the Board of Directors has no reason to anticipate, the persons named in the enclosed form of proxy will vote for the election of such other persons as directed by the Board, unless the Board decides to reduce the number of directors pursuant to the Bylaws.

The Board and the Nominating & Corporate Governance Committee regularly assess the composition of the Board as a whole and the contributions of each director. The Nominating & Corporate Governance Committee s charter assigns to that Committee the duty to identify individuals believed to be qualified to become Board members, and to recommend to the Board the individuals to stand for election or reelection as directors. In nominating candidates, the Committee may take into consideration such factors as it deems appropriate, including personal qualities and characteristics, experience, accomplishments and reputation in the business community; current knowledge and contacts in the communities in which the Corporation does business and in the Corporation s industry or other industries relevant to the Corporation s business; diversity of viewpoints, background, experience and other demographics; ability and willingness to commit adequate time to Board and committee matters; and the fit of the individual s skills and personality with those of other directors and potential directors in building a Board that is effective and responsive to its duties and responsibilities and the needs of the Corporation.

In addition, at each of its regularly scheduled meetings, the Nominating & Corporate Governance Committee reviews the composition of the Board as a whole, considering the mix of skills and experience that directors bring to the

Board, and evaluates Board composition in light of the company s then-current business needs as well as applicable legal, regulatory and NYSE requirements. Among the areas considered by the Committee are each director s independence under the NYSE listing standards; experience, including experience as a public company officer or director; primary area of business expertise; geographical markets experience; and projected retirement date. In accordance with the requirements of the National Bank Act and the Corporation s renewed focus on its core banking franchise in Tennessee, the Committee also considers the proportion of directors who reside in Tennessee (or within 100 miles of Memphis). In light of this review, the Committee assesses whether the Board has the necessary tools to perform its oversight functions effectively and recommends, as appropriate, new nominees for consideration by the Board. The Board, with oversight provided by the Committee, also conducts an annual self-evaluation that includes an evaluation of whether Board members have the right expertise, background and skills to be effective and responsive to their duties and responsibilities.

The Nominating & Corporate Governance Committee also conducts annual individual director evaluations. To facilitate these evaluations, the Board has adopted a Statement of Expectations of Directors. The Statement of Expectations contains specific activities and conduct each director should engage in or adhere to and includes consideration of each director s background, expertise and skills. The Statement of Expectations is provided to each new director at the time of orientation and to all directors once a year. Each year, the Nominating & Corporate Governance Committee conducts evaluations against the Statement of Expectations of the performance of each director prior to determining whether to recommend him or her to the Board for renomination.

Set forth below are the particular experiences, qualifications, attributes or skills that led the Board to conclude that each nominee and incumbent director should serve as a director of First Horizon, as well as the age, current principal occupation (which has continued for at least five years unless otherwise indicated), name and principal business of the organization in which his or her occupation is carried on, directorships in other reporting companies (including those held within the last five years but not currently held), and year first elected to our Board. All of our directors are also directors of the Bank. Director committee appointments are disclosed in a table on page 9 in the Corporate Governance and Board Matters Composition of Board Committees section of this proxy statement above.

NOMINEES FOR DIRECTOR

ROBERT B. CARTER (52) is Executive Vice President FedEx Information Services and Chief Information Officer of FedEx Corporation, a provider of transportation, e-commerce and business services. He was Executive Vice President and Chief Information Officer of FedEx from June 2000 to January 2007. Mr. Carter serves as a director of one other public company, Saks Incorporated. He was elected as a director of First Horizon in 2007. Mr. Carter is independent under the NYSE listing standards. He has extensive experience in the field of information technology and, in his current position as FedEx s CIO, has the experience of serving as a public company executive officer. His service on the Human Resources and Compensation and Corporate Governance Committees of Saks has enhanced his knowledge of the governance of public companies and the compensation of their executive officers. He also serves on the board of a non-profit organization.

JOHN C. COMPTON (50) is Chief Executive Officer of PepsiCo Americas Foods (PAF), a division of PepsiCo, Inc., a global food, snack and beverage company. In addition, Mr. Compton has responsibility for PepsiCo s Power of One Americas Council and its Global Snack Group. Mr. Compton has been CEO of PAF since November 2007. From March 2005 until September 2006, he was President and CEO of Quaker, Tropicana, Gatorade, and from September 2006 until November 2007, he was CEO of PepsiCo North America. Mr. Compton was elected as a director of First Horizon by the Board of Directors in February 2011. He is independent under the NYSE listing standards. Mr. Compton has extensive experience in sales, marketing, operations and general management as well as experience with the various matters, including finance and accounting, employee matters, mergers and acquisitions, risk assessment, civic affairs and government relations, associated with being the CEO of a large division of a public company. Mr. Compton served on the board of directors of the Pepsi Bottling Group from March 2008 until the company s merger with PepsiCo in 2010. Pepsi Bottling Group was a public company prior to the merger. He also serves on the boards of two non-profit organizations.

MARK A. EMKES (59) was appointed the Commissioner of the Department of Finance and Administration of the State of Tennessee in January 2011. Prior to his service as Commissioner, he served as the Chairman, Chief Executive Officer and President of Bridgestone Americas, Inc. and as a director of its parent company, Tokyo-based Bridgestone Corporation, a worldwide tire and rubber manufacturer (Bridgestone). Mr. Emkes is a director of two other public companies, Clarcor Inc. and Greif, Inc., and was elected as a director of First Horizon in 2008. Mr. Emkes is independent under the NYSE listing standards. His current position has afforded him experience in finance and governmental affairs, and his past positions with Bridgestone gave him wide-ranging experience in retailing, wholesaling and manufacturing as well as experience with the various matters, including finance and accounting, employee matters, mergers and acquisitions, risk assessment, civic affairs, and government relations, associated with being the CEO of a large subsidiary of a public company. He serves on Greif s Compensation Committee and Clarcor s Compensation and Director Affairs/Corporate Governance Committees, and that service has enhanced his knowledge of public company executive compensation and governance matters. As a resident of Nashville, his knowledge of the Nashville market fits well with our strategy of focusing on our core banking franchise in Tennessee. He also serves on the boards of several non-profit organizations.

VICKY B. GREGG (57) became Chief Executive Officer of BlueCross BlueShield of Tennessee (BCBST), a not-for-profit organization that, together with its subsidiaries, provides a comprehensive range of group and individual health insurance plans, products and services, in February 2003. She has also been a director of BCBST since 2003. Before becoming Chief Executive Officer, Ms. Gregg served as BCBST s President and Chief Operating Officer, overseeing all aspects of the company s day-to-day operations. BCBST and Ms. Gregg have announced Ms. Gregg s retirement as Chief Executive Officer, effective December 31, 2012. Ms. Gregg has been a director of First Horizon since January 2011, when she was elected to the position by First Horizon s Board of Directors. Ms. Gregg is independent under the NYSE listing standards and is an audit committee financial expert as defined in Item 407(d)(5) of SEC Regulation S-K. Additional information about the background and experiences that qualify her as an audit committee financial expert is provided under the heading Audit Committee Financial Expert beginning on page 10 of this proxy statement. Ms. Gregg has a diverse health care background that includes clinical care, hospital administration, long-term care, and healthcare benefits and financing. She served as President and CEO of Volunteer State Health Plan, a subsidiary of BCBST and one of the largest Medicaid health maintenance organizations in the country. Prior to joining BCBST, Ms. Gregg served as a Regional Vice President, Humana in Kentucky and Ohio. Her executive experience in the health care industry has provided her with expertise in health care and health care finance and extensive experience in the matters involved in running a large company, including finance and accounting, corporate governance, employee matters, mergers and acquisitions, risk assessment, civic affairs, and government relations. She also serves on the boards of a number of other non-profit and trade organizations and in the past has also served on several appointed commissions, including the Tennessee Governor s Roundtable.

JAMES A. HASLAM, III (58) is Chief Executive Officer and President of Pilot Flying J, Knoxville, Tennessee, a national operator of travel centers, and he is CEO of Pilot Corporation. Mr. Haslam is a director of one other public company, Ruby Tuesday, Inc. He has also served as a director of Dillards, Inc. within the last five years, although he is not serving in that position currently. Mr. Haslam has been a director since 1996. He is independent under the NYSE listing standards, and his many years as the CEO of Pilot have provided him with expertise in retailing and extensive experience in the matters involved in running a large company, including finance and accounting, corporate governance, employee matters, mergers and acquisitions, risk assessment, civic affairs, and government relations. In addition, his service on the boards of Dillards and Ruby Tuesday (including on the compensation and/or nominating/governance committees of the two companies) has given him experience in matters affecting public companies specifically. He also serves on the board of several non-profit organizations.

D. BRYAN JORDAN (50) was elected President and Chief Executive Officer and a director of First Horizon and the Bank on September 1, 2008, and effective January 1, 2012, he was elected Chairman of the Board of First Horizon and the Bank as well. From May 1, 2007, to September 1, 2008, Mr. Jordan was the Chief Financial Officer of First Horizon and the Bank, and from 2000 to May 1, 2007, he served in various positions at Regions Financial Corporation and its subsidiary Regions Bank, including (beginning in 2002) as Senior Executive Vice President and Chief Financial Officer. Prior to 2000, he held various finance and accounting related positions at Wachovia Corporation. He has extensive experience in the banking and financial services industry and in the governance and other matters affecting public companies as well as expertise in finance and accounting. He also serves on the board of several non-profit organizations.

R. BRAD MARTIN (60) is the Chairman of RBM Venture Company, Memphis, Tennessee, a private investment company. Mr. Martin was Chairman of the Board and Chief Executive Officer of Saks Incorporated, Birmingham, Alabama, a retail merchandising company, until his retirement in 2007. He had held the CEO position at Saks or its predecessor companies since 1989. Mr. Martin is a director of three other public companies, Dillards, Inc., FedEx Corporation, and lululemon athletica inc. He has also held directorships at Gaylord Entertainment Company, Harrah s Entertainment, Inc. and Ruby Tuesday, Inc. within the last five years, although he is not serving in those positions currently. He has been a director of First Horizon since 1994. Mr. Martin is independent under the NYSE listing standards, and he currently serves as our lead director. He has expertise in retailing as well as the experiences typically associated with serving as a CEO of a public company, including finance and accounting, securities markets and compliance, corporate governance, employee matters, mergers and acquisitions, risk assessment, civic affairs, and government relations. He has served on the audit, compensation and/or nominating and corporate governance committees of several other public companies, further adding to his experience with the business and affairs of public companies. He also serves on the board of several non-profit organizations.

SCOTT M. NISWONGER (64) is the Chairman and founder of Landair Transport, Inc., a time-definite trucking, warehousing, and supply-chain management company. He previously served as Chief Executive Officer (until 2003) of Landair and as Chairman of the Board (until 2005) and Chief Executive Officer (until 2003) of Forward Air, Inc., which operated as one company with Landair until the two were separated into two public companies in 1998; Landair has since again become a private company. He was elected as a director of First Horizon by the Board of Directors in October 2011. Mr. Niswonger is independent under the NYSE listing standards. In his current role as Chairman of Landair and as the former CEO of both Landair and Forward Air, he gained extensive experience in matters affecting both public and private companies, including sales, marketing and logistics, finance and accounting, employee matters, mergers and acquisitions, risk assessment, civic affairs and government relations, corporate governance and securities markets and compliance. As a resident of east Tennessee, his knowledge of the east Tennessee market fits well with our strategy of focusing on our core banking franchise in Tennessee. Mr. Niswonger serves on the boards of several non-profit organizations and has in the past served as Chair of the Economic Development and Growth Board for the State of Tennessee. He is also a certified airline transport pilot.

VICKI R. PALMER (58) is the President of The Palmer Group, LLC, Atlanta, Georgia, a general consulting firm. Between February 2004 and April 2009, she served as Executive Vice President, Financial Services and Administration, Coca-Cola Enterprises Inc. (CCE), Atlanta, Georgia, a bottler of soft drink products. Ms. Palmer is a director of one other public company, Haverty Furniture Companies, Inc. She has been a director since 1993. Ms. Palmer is independent under the NYSE listing standards and is an audit committee financial expert as defined in Item 407(d)(5) of SEC Regulation S-K. Additional information about the background and experiences that qualify her as an audit committee financial expert is provided under the heading Audit Committee Financial Expert beginning on page 10 of this proxy statement. Ms. Palmer also has experience with public company governance and financial matters, having served on the audit and governance committees at Haverty Furniture, where she has been a director since 2001. She also serves on the board of several non-profit organizations.

COLIN V. REED (64) is the Chairman of the Board and Chief Executive Officer of Gaylord Entertainment Company, Nashville, Tennessee, a diversified hospitality and entertainment company. Mr. Reed was elected Chairman of the Board in 2005 and Chief Executive Officer in 2001. Mr. Reed is a director of one other public company, Gaylord Entertainment Company. He has also served in the past as a director of another public company. He has been a director of First Horizon since 2006. Mr. Reed is independent under the NYSE listing standards, and the Board determined that he is an audit committee financial expert as defined in Item 407(d)(5) of SEC Regulation S-K, although he is not currently serving on our Audit Committee. Additional information about the background and experiences that qualify Mr. Reed as an audit committee financial expert is provided under the heading Audit Committee Financial Expert beginning on page 10 of this proxy statement. Mr. Reed has expertise in retailing as well as the experiences typically associated with serving as a CEO of a public company, including finance and accounting, securities markets and compliance, corporate governance, employee matters, mergers and acquisitions, risk assessment, civic affairs, and government relations.

LUKE YANCY III (62) is President and Chief Executive Officer of the Mid-South Minority Business Council Continuum, Memphis, Tennessee, a nonprofit organization that promotes minority and women business enterprises. Prior to 2000, Mr. Yancy was President, West Region, of AmSouth Bank and, prior to its acquisition by AmSouth in 1999, First American Bank. Mr. Yancy has been a director since 2001. He is independent under the NYSE listing standards. As CEO of Mid-South Minority Business Council Continuum, Mr. Yancy possesses extensive knowledge of the mid-south community, which lies within the footprint of our regional banking franchise. He is a board member of several non-profit organizations, including the Memphis Regional Chamber of Commerce, LeMoyne Owen College, the Memphis Sports Development Corporation, and Methodist Healthcare and has wide-ranging ties in the mid-south community.

The Board of Directors unanimously recommends that the shareholders vote FOR the election of all director nominees as described in Item No. 1.

VOTE ITEM NO. 2 APPROVAL OF OUR 2003 EQUITY COMPENSATION PLAN, AS PROPOSED TO BE AMENDED AND RESTATED

General. The Equity Compensation Plan was adopted by the Board of Directors and approved by our shareholders in 2003 and formerly was known as the 2003 Equity Compensation Plan. The plan originally authorized the grant of equity-based and certain other awards, subject to certain share limits, for a period of ten years. In 2004 and 2006, the Compensation Committee, the Board, and our shareholders approved amendments to the plan to increase the maximum number of shares that could be issued with respect to awards and to increase the maximum number of shares of that total which could be issued with respect to awards other than options. The plan was amended several times by the Board between 2006 and 2010 to make administrative changes and changes related to regulatory and tax compliance. In 2010, the Compensation Committee, the Board, and our shareholders again approved amendments to the plan. The 2010 amendments increased the maximum number of shares which could be issued with respect to awards under the plan and the maximum number of shares of that could be issued with respect to awards other than options and implemented certain best practices for equity compensation plans. Early in 2012, the Board and the

Compensation Committee again approved amendments to the plan, subject to the approval of our shareholders of the plan as amended. The 2012 amendments, which alter the share limits, extend the plan s life, and generally update the plan, are further described below. Throughout this vote item, the Equity Compensation Plan will be referred to as the ECP or as the plan. The ECP as amended is attached to this proxy statement as Appendix B.

Key 2012 Amendments. The ECP has been updated in many respects in anticipation of the annual meeting. The key substantive amendments are the following:

Extend the plan s life for ten years. New awards may not be granted after April 17, 2022.

Increase the maximum number of shares that may be issued under the plan by 8,000,000.

Modify the plan s limits on awards per person. Specifically, as amended a person may receive annually: (1) certain performance stock awards under Section 10 of the plan covering up to 500,000 shares; (2) performance cash awards under Section 10 of the plan covering up to $4,000,000; (3) options or SARs (other than those made under Section 10 of the plan) covering up to 600,000 shares; and (4) all other types of stock-based awards covering up to 400,000 shares. Compared to the current plan, limit (2) is not changed, (3) is not significantly changed, and limit (4) is new. Limit

(1) replaces the current 200,000 share limit on the maximum annual number of shares in respect of which performance-based awards may be *paid* to a participant and provides instead for a 500,000 share limit on the number of shares in respect of certain performance stock awards that may be *granted* annually.

Update and clarify the list of permitted performance measures for qualified performance awards.

Effects of and Reasons for Approval; Effects of Non-Approval. Under this vote item, shareholders are being asked to approve the ECP as amended. This action approves all amendments to the ECP, including the key amendments noted above, and re-approves the ECP in its entirety.

The Board of Directors believes that stock-based awards provide an essential tool that helps First Horizon attract and retain outstanding employees and non-employee directors and motivate them to cause the company to succeed. Stock awards align employees interests directly with those of First Horizon s shareholders because the value of the stock-based awards is directly linked to the market value of our common stock. Stock-based awards also provide critical reinforcement of the values of ownership and teamwork that are an integral part of our culture. The Board of Directors believes that increasing the number of shares available under the ECP would provide us with a sufficient number of shares to continue our stock-based incentive programs effectively through the end of 2015.

As of December 31, 2011, 7,508,981 shares of restricted stock, restricted stock units, performance restricted stock and performance stock units had been awarded under the ECP, of which 4,729,416 remain outstanding; options to purchase an aggregate of 8,224,005 shares of common stock had been awarded under the ECP, of which 3,624,284 remain outstanding; and there was a total of 3,921,288 shares available for future grant under the ECP, 3,216,237 of which were available for awards other than options. All of the foregoing share figures reflect adjustment for stock dividends paid by First Horizon on its common stock from October 1, 2008 through January 1, 2011.

Approval will extend and fully optimize our ability to deduct for tax purposes the cost of certain awards provided under or in connection with the ECP, including in particular options, SARs, and tax-qualified performance awards. Current tax regulations under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Tax Code), provide that First Horizon s shareholders must re-approve the ECP at least every five years in order to maximize our ability to deduct for tax purposes the cost of those awards. Shareholders last approved the ECP in its entirety at the 2010 annual meeting of shareholders. Re- approval of the plan in its entirety, as amended, at the 2012 annual meeting will ensure that First Horizon s ability to deduct for tax purposes the cost of certain awards under the plan is optimized for the next five years and will avoid the necessity of seeking additional shareholder approval before it would otherwise be needed.

If this item is not approved, the ECP would continue under its provisions in effect prior to the key amendments discussed above. The plan would terminate in 2013 on the tenth anniversary of its initial approval, meaning that no new awards could be granted after that date. Existing awards would remain outstanding and, subject to the old plan limits, new awards could be granted until plan termination.

Material Features of the ECP, As Amended

The following is a summary of the material features of the ECP (as amended to date), and it and the above discussion are qualified in their entirety by reference to the complete text of the ECP.

Purpose of the ECP; Eligibility; Types of Awards. The purpose of the ECP is to promote the interests of First Horizon and its shareholders by attracting and retaining officers, employees and non-employee directors of First

Horizon and its subsidiaries; motivating those individuals by linking a component of compensation to First Horizon s stock value and by means of performance-related incentives to achieve long-range performance goals; enabling those individuals to participate in the long-term growth and financial success of the company; encouraging ownership of stock in the company by those individuals; and linking compensation to the long-term interests of First Horizon s shareholders. All officers, employees and non-employee directors of First Horizon and its subsidiaries and all regional board members (as defined under the ECP) are eligible to receive awards under the ECP. Awards may consist of grants of options, restricted stock, restricted stock units, performance awards, and stock appreciation rights, or any combination thereof. As of December 31, 2011, First Horizon and its subsidiaries had approximately 1,174 officers, 4,811 employees and 12 non-employee directors, and there were approximately 108 regional board members.

Administration. Except with respect to awards to non-employee directors, the plan is administered by a committee designated by the Board, which is composed of at least two directors who are non-employee directors as defined for securities law purposes and two directors who are outside directors as defined for purposes of the Tax Code. The Board has designated the Compensation Committee as the ECP Committee. See The Compensation Committee In General beginning on page 14 and the Committee s charter in Appendix A for additional information concerning the qualifications of Committee members in relation to the plan. Throughout the rest of this discussion, the Compensation Committee shall be referred to simply as the Committee. The Board retains the right to make awards under the plan.

The Committee has the full power and authority in its discretion to, among other things, designate plan participants; determine the types of awards to be granted; determine the timing, terms, and conditions of any award; accelerate the time at which all or any part of an award may be settled or exercised; interpret and administer the plan and any instrument or agreement relating to, or award made under, the plan; amend or modify the terms of any award after grant; and make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the plan, subject to the exclusive authority of the Board to amend, suspend or terminate the plan. However, only the Board has the power and authority to make awards to non-employee directors and to determine the type, timing, terms and conditions of those awards.

With some exceptions, awards under the plan are generally not transferable. Within the limits of the ECP, the Committee may in its discretion permit transfers of awards, or create assistive procedural rights in lieu of transfers or otherwise, in connection with death, divorce, child support, incompetence or other disability, and other severe personal events, and the Committee may delegate broad administrative authority to management in such situations, provided that no such delegated action may enhance the amount or extend the original term of any outstanding award.

Types of Awards.

Options. The Committee may grant options to purchase a specified number of shares of our common stock. Options granted under the ECP do not qualify as incentive stock options under Section 422 of the Tax Code. The number of shares of common stock subject to any grant of options, the exercise price and all other conditions and limitations applicable to the exercise of any options will be determined by the Committee. Except in limited circumstances described in the ECP having to do with our acquisition of another company, the exercise price of an option may not be less than 100% of the fair market value of the shares of common stock with respect to which the option is granted on the date of such grant. No option shall be exercisable after the expiration of ten years from the date such option was granted.

Stock Appreciation Rights. Stock appreciation rights (SARs) may be granted under the ECP. An SAR is a right that entitles the holder to receive, with respect to each share of our common stock encompassed by the exercise of that SAR, the amount determined by the Committee or Board, as applicable, and specified in an award agreement. In the absence of such a determination, the holder shall be entitled to receive, with respect to each share encompassed by the exercise of the SAR, the excess of the fair market value on the date of exercise over base price for the SAR established at grant. Each SAR is exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in an award agreement or thereafter. Except in limited circumstances described in the ECP having to do with our acquisition of another company, the base price of an SAR may not be less than 100% of the fair market value of the shares with respect to which SAR is granted on the date of grant. SARs may be paid in common stock, in cash, or in a combination of stock and cash, as determined by the Committee or the Board.

The ECP provides that without shareholder approval, the Committee does not have the power to (i) amend the terms of previously granted options or SARs to reduce the option price of such options or base price of such SARs, or (ii) cancel such options or SARs and grant substitute options or SARs with a lower option price or base price than the cancelled options or SARs, respectively. Any such price reduction or substitution action taken by the Committee in advance of shareholder approval shall be subject to, and ineffective until, approved by our shareholders.

Restricted Stock and Restricted Stock Units. Awards of restricted stock and restricted stock units consist of common stock or stock units that are subject to a risk of forfeiture or other restrictions that lapse upon the occurrence of certain events and the satisfaction of certain conditions, as determined by the Committee in its discretion. For example, the Committee may require the recipient to meet a service condition, requiring the recipient to remain employed with us for a specified period, prior to vesting. A stock unit may be paid in a share of stock or in an amount of cash, securities, or other property equal to the fair market value of one share of common stock on the date of vesting, or in any combination of these, at the Committee s discretion.

Performance Awards. The Committee may, in its discretion, grant a performance award consisting of a performance-based option award, performance-based SAR award, performance-based restricted stock award, performance-based restricted stock unit award, or other performance-based right that is denominated in cash and/or shares of our common stock. Vesting of a performance award depends, at least in part, upon the achievement of one or more performance goals during one or more performance periods as determined by the Committee. Options and SARs are not performance awards under the plan unless their vesting is subject, at least in part, to achievement of such performance goals. Other conditions to vesting, such as a service requirement, may be imposed as well. Performance awards are payable at the time and in the form determined by the Committee. The Committee determines the performance measures and other factors to be used to establish performance goals, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any performance award, and the amount and kind of any payment or transfer to be made pursuant to any performance award.

The Committee may in its sole discretion designate whether any performance award granted under the plan is a Section 10 Award. A Section 10 Award meets the requirements for deductibility imposed by Section 162(m) of the Tax Code as well as additional requirements and limitations set forth in Section 10 of the ECP. Other performance awards may, but are not required to, meet the extra requirements of Section 10.

Options and SARs that are not performance awards under the ECP are not subject to Section 10 of the plan, and performance awards consisting of options and SARs are presumed not to be Section 10 Awards unless the Committee determines otherwise. However, such options and SARs may qualify as performance-based compensation under Section 162(m) of the Tax Code, independent of their status under Section 10 of the plan. Likewise, awards under the ECP driven by First Horizon s Management Incentive Plan are not subject to Section 10 of the ECP unless the Committee determines otherwise, but may qualify as performance-based compensation under Section 162(m) of the Tax Code.

The ECP has special provisions for covered officers. The term covered officer generally means any individual who, with respect to First Horizon s previous tax year, was a covered employee of First Horizon within the meaning of Tax Code Section 162(m). In any year the Committee may include other officers as covered and may exclude officers from being covered. Generally, the Committee will tend to make performance awards granted to covered officers, or to persons at substantial likelihood of becoming covered officers during the term of the award, Section 10 Awards in order to maximize deductibility for First Horizon; the Committee is authorized, however, to make determinations of Section 10 status as it deems appropriate.

For Section 10 Awards, performance measures may include one or more, or any combination, of the following company, subsidiary, operating unit, division, line of business, reporting segment, department, team or business unit financial performance measures: stock price, dividends, total shareholder return, earnings per share, market capitalization, book value, revenues, expenses, assets, loans, deposits, liabilities, shareholder equity, regulatory capital, noninterest income, net interest income, fee income, operating income before or after taxes, net income before or after taxes, return on assets, return on equity, return on capital, net interest income, cash flow, credit quality, service quality, market share, customer retention, efficiency ratio, liquidity, strategic business objectives consisting of one or more objectives based on meeting business expansion or contraction goals, and other goals relating to acquisitions or divestitures or openings or closures. Any performance measures may provide for adjustment to include or exclude actual or hypothetical items or amounts and may provide for artificial increase or decrease by amounts or percentages selected by the Committee, and any such adjusted or altered measure shall be a performance measure. The term performance measure also includes any component or any combination of components of any performance measure; examples include Tier 1 regulatory capital, tax expense, non-recurring expenses, provision expense, and tangible assets. Any performance measure may be used for financial reporting purposes, for internal or management purposes, or for purposes of the plan created or defined by the Committee. Any such measure based on balance sheet or similar data may be measured at period-end or on an average or other basis as specified by the Committee. Measures may be combined with any one or more other measures by addition, subtraction, multiplication, division, or other arithmetic means, or by any combination of such operations, as specified by the Committee. In the case of performance awards that are not Section 10 Awards, performance measures are also permitted to include any other performance criteria established by the Committee, including personal plan goals.

Maximum Number of Shares Available; Individual Participant Limits; Adjustments. The ECP as amended imposes the following limitations on new award grants (grants on or after April 17, 2012), all of which are subject to adjustment as described below:

The maximum number of shares of common stock which may be issued with respect to awards under the ECP is 21,348,228, of which no more than 16,906,825 may be issued with respect to awards other than options.

The maximum number of shares which may be subject to Section 10 Awards granted to any participant in any fiscal year is 500,000. The maximum annual dollar amount of Section 10 Awards payable in cash is $4 million. If an award is payable either in shares or in cash, only one limitation applies, as determined by the Committee.

The maximum number of shares which may be subject to options and SARs (other than Section 10 Awards) granted to any participant in any calendar year is 600,000.

The maximum number of shares which may be subject to all other awards granted to any participant in any calendar year is 400,000.

Changes in the per-person limits are not retroactive. Awards granted prior to April 17, 2012 will remain subject to those plan limitations in force at the time of grant. New awards will not be counted in applying the former limits, and the new limits will not apply to awards granted prior to April 17, 2012.

The number of shares of our common stock available for awards, the number of shares that may be subject to awards granted to any one participant in any period, the number of shares covered by each outstanding award, and the price per share covered by each outstanding award which uses a price shall be proportionately adjusted for any increase or decrease in the number of issued shares resulting from a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification of the shares, and may be proportionately adjusted, as determined in the sole discretion of the Board, for any other increase or decrease in the number of issued shares effected without receipt of consideration by First Horizon or to reflect any distributions to holders of shares other than regular cash dividends. Except as expressly provided herein, no issuance by First Horizon of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares subject to an award.

If any shares of our common stock covered by an award granted under the ECP, or to which such an award relates, are forfeited, or if such an award is settled for cash or otherwise terminates, expires unexercised, or is canceled without the delivery of our shares, then the shares covered by that award, or to which that award relates, or the number of shares otherwise counted against the aggregate number of shares which may be issued with respect to awards, to the extent of any such settlement, forfeiture, termination, expiration, or cancellation, shall again become shares that may be issued with respect to future awards under the plan. In the event that any option or other exercisable award under the plan granted prior to April 17, 2012 is exercised through the delivery of shares by the participant or in the event that withholding tax liabilities arising from an award granted prior to April 17, 2012 are satisfied by the withholding of shares by First Horizon from the total number of shares that otherwise would have been delivered to the participant, the number of shares which may be issued with respect to awards under the plan shall be increased by the number of shares so surrendered or withheld. The share re-usage provisions in the previous sentence do not apply to any awards granted on or after April 17, 2012.

On February 24, 2012, the closing price of the common stock on the New York Stock Exchange was $9.38 per share.

Forfeiture and Reimbursement in the Context of Misconduct. The ECP has clawback provisions which give First Horizon the flexibility to require repayment or forfeiture of compensation that was paid or granted based on incorrect data, among other things. First Horizon may cause or seek the forfeiture of all or any portion of a performance award held by a participant, and/or the reimbursement by a participant to the company of all or any portion of a performance award paid to the participant, where the Board or the Committee concludes in good faith that the participant engaged in fraud or other intentional, knowing, or willful misconduct in connection with the performance of his or her duties as an officer or employee of the company or of any of its subsidiaries.

The clawback provisions in the ECP are supplemented by the compensation recovery policy adopted by the Board in 2009. That policy creates company-wide compensation clawback provisions, gives First Horizon the flexibility to require repayment or forfeiture of compensation that was paid or granted based on incorrect data. The Committee s practice since 2009 has been to make all performance awards subject to that policy.

Change in Control. The ECP provides that if a change in control event occurs and if the award recipient is terminated or experiences a significant job reduction, then the awards held by that recipient will vest, meaning they will be paid or become fully exercisable. Both conditions must be met in order for vesting to accelerate.

The ECP grants the Committee the authority to depart in specific award agreements from the definition of a change in control set forth in the plan. The Committee has never exercised that authority, and the Committee voted at its February 2010 meeting that it does not intend to exercise that authority in the future.

Effect of Termination of Employment. The Committee has discretion to determine the terms and conditions that will apply to any outstanding award upon the termination of employment (as defined under the ECP) of a participant, and those terms and conditions will be set forth in an award agreement.

Plan Amendment. The Board may amend, alter, modify, suspend, discontinue or terminate the ECP at any time, except that the Board may not amend the ECP in violation of any law. However, no such action may materially adversely affect the rights of any holder of an award that was granted prior to the date of such action, without the consent of such holder. In addition: listing standards of the New York Stock Exchange, under which our stock is listed, require certain amendments to equity compensation plans like the ECP to be approved by shareholders, and Section 162(m) of the Tax Code requires the plan to be submitted to shareholder approval at least every five years in order to optimize our ability to deduct amounts paid under options, SARs, and performance awards.

Federal Income Tax Consequences

The following is a summary of the current federal income tax treatment related to awards under the ECP. This summary is not intended to, and does not, provide or supplement tax advice to participants. Participants in the ECP are advised to consult with their own independent tax advisors with respect to the specific tax consequences that, in light of their particular circumstances, might arise in connection with their receipt of any awards under the ECP, including any state or local tax consequences and the effect, if any, of gift, estate and inheritance taxes.

A series of technical provisions with respect to certain awards involving deferred compensation were added to the ECP in 2007 in order to ensure the plan s compliance with Section 409A of the Internal Revenue Code. For example, the ability of grantees of affected awards to accelerate payments was eliminated except as permitted by the regulations adopted under Section 409A. These technical provisions are all reflected in the copy of the ECP attached at Appendix B.

Options. No taxable income is realized by a participant upon the grant of an option under the ECP. Upon exercise of an option granted under the ECP, the participant would include in ordinary income an amount equal to the excess, if any, of the fair market value of the shares of common stock issued to the participant pursuant to such exercise at the time of exercise over the purchase price. First Horizon would be entitled to a deduction on exercise of the option for the amount includible in the participant s income.

Restricted Stock. No taxable income is realized by a participant upon the award of restricted common stock. Prior to the lapse of restrictions on such shares, any dividends received on such shares will be treated as ordinary compensation income. Upon the lapse of restrictions, the participant would include in ordinary income the amount of the fair market value of the shares of common stock at the time the restrictions lapse.

Section 83(b) of the Tax Code allows participants to make an election (an 83(b) election) within 30 days after receipt of restricted common stock to take into income in the year the restricted common stock is transferred by First Horizon to such participant an amount equal to the fair market value of the restricted common stock on the date of such transfer (as if the restricted stock were unrestricted). If such election is made, the participant (i) will have no taxable income at the time the restrictions actually lapse, (ii) will have a capital gains holding period beginning on the transfer date and (iii) will have dividend income with respect to any dividends received on such shares. If the restricted common stock subject to the 83(b) election is subsequently forfeited, the participant is not entitled to a deduction or tax refund. First Horizon s long-standing practice has been to prohibit participants from making 83(b) elections.

Any appreciation or depreciation in such shares from the time the restrictions lapse (or the effective date of the 83(b) election, if made) to their subsequent disposition should be taxed as a short-term or long-term gain or loss, as the case may be. First Horizon would be entitled to a federal income tax deduction for the year in which the participant realizes ordinary income with respect to the restricted common stock in an amount equal to such income.

Restricted Stock Units. No taxable income will be realized by a participant upon the grant of restricted stock units and no taxable income will be realized at the times the restricted stock units vest. At the time payment is made with respect to restricted stock units granted under the ECP, the participant will realize ordinary income in an amount equal to the cash received or the fair market value of the shares of common stock received. First Horizon would be entitled to a deduction at the time of payment in an amount equal to such income.

Stock Appreciation Rights. A participant does not recognize ordinary income upon the receipt of a stock appreciation right under the ECP. Upon exercise of the stock appreciation right and receipt of cash or unrestricted stock, the participant would recognize ordinary income in an amount equal to the payment received or the fair market value of the unrestricted stock. First Horizon would be entitled to a deduction at the time of payment in an amount equal to such income.

Plan Benefits. Future benefits under the ECP are not currently determinable. The Summary Compensation Table beginning on page 57 and the Grants of Plan-Based Awards in 2011 table beginning on page 60 provide additional information regarding awards granted under the ECP during 2011.

On this Vote Item No. 2, the Board of Directors unanimously recommends a vote FOR the approval of the ECP, as proposed to be amended and restated as described above.

VOTE ITEM NO. 3 APPROVAL OF OUR 2002 MANAGEMENT INCENTIVE PLAN, AS PROPOSED TO BE AMENDED AND RESTATED

General. The Management Incentive Plan was adopted by the Board of Directors and approved by our shareholders in 2002 and formerly was known as the 2002 Management Incentive Plan. The plan originally authorized the grant of one-year performance awards. Each award was an annual bonus opportunity so that, in practical effect, the plan is an annual bonus plan for executives. Our intention was for awards under the plan to qualify as tax-deductible performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Tax Code), and the plan incorporated restrictions governed by that Section. The plan was re-approved by the shareholders at the 2007 annual meeting in conformity with the requirements of Section 162(m). The plan provided that 2012 was to be the plan s final year. Early in 2012, the Board and the Compensation Committee approved amendments to the plan, subject to the approval of our shareholders of the plan as amended. The 2012 amendments, which renew the plan s life and generally update the plan, are further described below. Throughout this vote item, the Management Incentive Plan will be referred to as the MIP or as the plan. The MIP as amended is attached to this proxy statement as Appendix C.

Key 2012 Amendments. The MIP has been updated in many respects in anticipation of the annual meeting. The key substantive and clarifying amendments are the following:

Remove the ten-year plan expiration date. The MIP is currently set to expire after 2012. The expiration date is unnecessary: the plan contains annual limits on awards and, in order to remain qualified under Section 162(m), must be re-approved by shareholders at least every five years.

Allow performance periods under the MIP to cover less than a full fiscal year. However, an MIP performance period still cannot be longer than one year and still cannot involve more than a single fiscal year.

Allow awards not qualified under Section 162(m) of the Tax Code to be granted to officers covered by 162(m). Previously, such non-qualified awards were limited to other officers.

Explicitly provide that an MIP participant can receive more than one MIP award in any given year.

Explicitly provide that MIP awards may be payable in cash-settled stock units.

Explicitly provide that awards under the MIP can be denominated in stock and can drive the grant of equity awards under other First Horizon plans. Stock still cannot be issued under the MIP. Any stock-based awards driven by an MIP award must be paid only in cash or must be granted under another company plan that authorizes stock, such as the ECP. MIP driven stock awards granted under the ECP would be subject to all applicable ECP limitations.

Change the MIP s definition of a change in control event to conform to the ECP s definition. Specifically, for those events related to shareholder-approved mergers and similar transactions, the amended definition requires consummation of the relevant event rather than mere approval of it.

Update the list of permitted performance measures for qualified awards.

Modify the MIP s limits on awards per person. As amended, the plan provides that the maximum amount payable under any single qualified award to a covered officer cannot exceed $4 million, and that the aggregate amount paid for all awards granted under the plan to any covered officer in respect of any fiscal year cannot exceed $4 million. The first limitation is substantively unchanged from before, and the second limitation is new.

Effects of and Reasons for Approval; Effects of Non-Approval. Under this vote item, shareholders are being asked to approve the MIP as amended. This action approves all amendments to the MIP, including the key amendments noted above, and re-approves the MIP in its entirety.

The Board of Directors believes that annual and other short-term incentive awards provide an essential tool that helps First Horizon attract and retain outstanding employees and motivate them to cause the company to succeed. Whereas the ECP primarily is devoted to longer-term awards and encompasses non- performance equity awards, the MIP is devoted entirely to performance awards covering performance periods of one year or less. Short-term awards by their nature allow the Compensation Committee (which administers the plan) the flexibility to structure awards to focus management attention on matters of immediate or near-term importance. At the same time the MIP requires the Committee to establish specific goals and to measure actual performance against them at the end of each period. The purposes of the amendments to the MIP are to renew and update the MIP to reflect current practices, both by other companies and by our Compensation Committee, and to anticipate future needs.

Approval will extend and fully optimize our ability to deduct for tax purposes the cost of qualified awards provided under or in connection with the MIP. Current tax regulations under Section 162(m) of the Tax Code provide that First Horizon s shareholders must re-approve the MIP at least every five years in order to maximize our ability to deduct for tax purposes the cost of those awards. Shareholders last approved the MIP in its entirety at the 2007 annual meeting of shareholders. Re-approval of the plan in its entirety, as amended, at the 2012 annual meeting will ensure that First Horizon s ability to deduct for tax purposes the cost of qualified awards under the plan is optimized.

If the shareholders approve this vote item at the 2012 annual meeting, the plan will take effect as amended for the 2012 fiscal year commencing on January 1, 2012; awards made earlier this year will be subject to the amended MIP provisions. If the shareholders do not approve this vote item, the plan as in effect prior to the key amendments discussed above will remain effective for the remainder of this year and then expire. If this item is not approved, 2012 would be the last year during which MIP awards would be granted.

Material Features of the MIP as Amended

The following is a summary of the material features of the MIP, as it is proposed to be amended and restated as described above. This summary and the above text are qualified in their entirety by reference to the complete text of the MIP, attached as Appendix C.

Purpose and Effectiveness. The MIP took effect as of January 1, 2002. The purpose of the plan is to provide a framework for First Horizon to offer incentive opportunities to key executives to encourage and reward desired performance on specific financial or other measures that will further First Horizon s growth, development and financial success and to enhance our ability to maintain a competitive position in attracting and retaining qualified key personnel to contribute materially to First Horizon s success. In addition, the plan is designed to provide a platform through which certain awards can be established and paid to eligible employees that are tax deductible under Section 162(m) of the Tax Code.

Plan Administration. The plan is administered by a committee designated by the Board, which is composed of at least two directors who are non-employee directors as defined for securities law purposes and two directors who are outside directors as defined for purposes of the Tax Code. The Board has designated the Compensation Committee as the MIP Committee. See The Compensation Committee In General beginning on page 14 and the Committee s charter in Appendix A for additional information concerning the qualifications of Committee members in relation to the plan. Throughout the rest of this vote item, the Compensation Committee shall be referred to simply as the Committee. The Committee has full authority to interpret the plan, adopt rules and regulations for administration of the plan, subject to certain exceptions, select participants eligible to receive awards under the plan and the performance measures to be used for purposes of setting performance goals under the plan, establish performance goals and award amounts (as those terms are defined in the plan), and determine the extent to which First Horizon and the participants have achieved the goals applicable to them.

Eligibility and Participation. Employees of First Horizon or any of its subsidiaries are eligible to be selected for participation in the MIP. Currently, all 13 members of our executive management committee have been selected for participation in the plan for calendar year 2012, including most of our 10 current executive officers and all of the individuals named in the Summary Compensation Table who are current employees. Plan participants may be deemed to be covered officers for purposes of Section 162(m) of the Tax Code. The term covered officer means (a) any individual who, with respect to First Horizon s previous tax year, was a covered employee of the Company within the meaning of Tax Code Section 162(m), excluding any such individual whom the Committee, by express action in its discretion, determines should not be treated as a covered officer due to a reasonable expectation that the individual will not be a covered employee with respect to First Horizon s current tax year and (b) any individual who was not a covered employee under Tax Code Section 162(m) for First Horizon s previous tax year but whom the Committee, by express action in its discretion, determines should be treated as a covered officer due to a reasonable expectation or a substantial possibility that the individual will or could be a covered employee with respect to First Horizon s current tax year or with respect to a tax year of First Horizon in which any applicable award will be paid. The Committee establishes a participant s status as a covered officer or the absence of that status at the time each qualified award (as defined below) is established.

Awards. Awards made under the plan are either qualified awards or non-qualified awards. Awards that are established and paid to eligible employees that are fully tax deductible under, and that adhere to the restrictions of, Section 162(m) of the Tax Code are called qualified awards under the MIP. A non-qualified award under the plan is one that complies with the MIP s requirements but need not conform to the requirements for deductibility under Section 162(m) of the Tax Code. Each award to a covered officer will be treated as a qualified award unless the Committee determines that it, or a portion of it, will be treated as a non-qualified award. Each award to a participant who is not a covered officer will be treated as a non-qualified award unless the Committee determines that the award, or a specified portion thereof, will be treated as a qualified award. The treatment of each award as provided in the previous two sentences will be established, and any related Committee determinations will be made, at the time the award is made and may not be changed thereafter. A covered officer may receive both a qualified award and a non-qualified award with respect to the same performance period. In that case the performance and other mechanisms of the two awards may not operate so that a diminishment of the qualified award necessarily and correspondingly results in the enlargement of the non-qualified award, and vice-versa. If a qualified award contains any provision or term that, if effective, would disqualify that award from conforming to the requirements for deductibility under Section 162(m), that disqualifying provision or term will be ineffective and ignored in the operation of that award. In any such case, after discovery of an actual or potentially disqualifying provision or term the Committee may, in its sole discretion, cancel the award rather than allow the award to continue as a qualified award.

Performance Measures and Award Amounts. For each award under the plan, the Committee will designate performance measures for use in determining awards. The term performance measures means one or more, or any combination, of the following First Horizon, subsidiary, operating unit, division, line of business, reporting segment, department, team or business unit financial performance measures: stock price, dividends, total shareholder return, earnings per share, market capitalization, book value, revenues, expenses, assets, loans, deposits, liabilities, shareholder equity, regulatory capital, noninterest income, net interest income, fee income, operating income before or after taxes, net income before or after taxes, return on assets, return on equity, return on capital, net interest income, cash flow, credit quality, service quality, market share, customer retention, efficiency ratio, liquidity, strategic business objectives consisting of one or more objectives based on meeting business expansion or contraction goals, and other goals relating to acquisitions or divestitures or openings or closures. Any performance measures may provide for adjustment to include or exclude actual or hypothetical items or amounts and may provide for artificial increase or decrease by amounts or percentages selected by the Committee, and any such adjusted or altered measure shall be a performance measure. The term performance measures also includes any component or any combination of components of any measure; examples include Tier 1 regulatory capital, tax expense, non-recurring expenses, provision expense, and tangible assets. Any such performance measures may be used for financial reporting purposes, for internal or management purposes, or for purposes of the plan created or defined by the Committee. Any such measures based on balance sheet or similar data may be measured at period-end or on an average or other basis as specified by the Committee. Measures may be combined with any one or more other measures by addition, subtraction, multiplication, division, or other arithmetic means, or by any combination of such operations, as specified by the Committee. In the case of non-qualified awards only, the term performance measures also means any other performance criteria established by the Committee, including personal plan goals. Personal plan goals are individual performance goals to be achieved by a participant that are not based on corporate performance. Personal plan goals are recommended or established by First Horizon s CEO and approved or reviewed (subject to rejection) by the Committee.

The performance period for an award may be a full fiscal year or a portion of a year. The Committee will establish in writing the performance goals for the selected performance measures applicable to a performance period, including threshold performance, target-level performance (if applicable) and superior performance. An award for that performance period shall be earned, paid, vested or otherwise deliverable upon completion of the performance period only if the performance goals are attained and the applicable employment requirement is satisfied (see Termination of Employment below). Unless otherwise specified by the Committee, the amount payable pursuant to an award will be based on a specified percentage of the participant s compensation, as determined by the Committee, with the target amount set for attaining 100% or the target level (as applicable) of the performance goal for any performance period. If an award is established without specifying a target level of performance and without providing for an increased payment for achievement above 100% performance, then the target amount shall be the maximum amount, which is payable for superior performance. If the threshold level of performance is not achieved, no award will be paid. Awards to covered officers under the plan are subject to the following limitations: the maximum amount payable under any single qualified award to a covered officer cannot exceed $4 million, and the aggregate amount paid for all awards granted under the plan to any covered officer in respect of any fiscal year cannot exceed $4 million. Awards under the ECP that are driven by awards under the MIP will be included in calculating these limits.

The Committee may, in its sole and absolute discretion, reduce or eliminate a participant s award that would have been otherwise paid, including without limitation by reference to a participant s failure to achieve his or her personal plan goals. However, the Committee has no discretion to increase the amount payable to any covered officer pursuant to a qualified award in a manner inconsistent with the requirements for qualified performance-based compensation under Tax Code Section 162(m).

The MIP allows the Committee a wide range of choices in how to establish awards. The Committee s practices under the MIP have evolved since the plan s inception as industry practices and First Horizon s circumstances have evolved, and that evolution is expected to continue. As an illustration of that flexibility, for many recent qualified awards the Committee has established two sets of goals. Performance of the first goal or goals establishes whether any amount will be paid and the maximum amount. The second set of goals is used to inform management how the Committee plans to exercise negative discretion to reduce the award to its final payment size. The first set must adhere to the approved list of performance measures and all other requirements of the MIP for qualified awards. The second set of goals may incorporate any features the Committee wishes, including subjective evaluations, and outcomes related to the second set of goals (but not the first) may be ignored by the Committee in the exercise of its discretion. In several recent years the first goals resulted in zero payment. In 2011 the first goals resulted in a positive dollar amount which the Committee reduced after evaluating outcomes under the second set of goals along with other factors.

Denomination and Payment of Awards; Forfeiture. An MIP award s denomination is the unit in which the maximum amount or other measure of the amount of the award is expressed. Awards under the MIP may be denominated in cash, in equity units which may be settled only in cash, in shares of our common stock, in equity based awards under another plan (which may be paid or settled in cash or in our common stock), or in any combination. An award may be denominated in one or more units while paid in one or more other units. Awards may be paid in cash, cash-settled equity units, or equity awards under First Horizon s other compensation plans. Shares of our common stock may not be issued or paid in respect of any awards pursuant to the MIP; shares may be issued or paid only pursuant to another of First Horizon s plans. If an award is denominated in cash, the cash amount is used to apply the $4 million limits described above even if the award is paid in equity awards under another plan. If the award is denominated in equity awards under another plan, its dollar value (for purposes of the $4 million limits) generally is measured at the end of the performance period. In either case, the actual final payout could exceed $4 million if the value of our common stock rises between the time value is measured and the time of final payment (which could be several years later). Conversion from cash to our common stock is valued at the end of the performance period unless the Committee chooses otherwise when the award is made. The Committee may require deferral of payment of any award.

All awards under the MIP are subject to First Horizon s compensation recovery policy, which requires recovery, or clawback, by First Horizon under certain circumstances. In addition, all awards are subject to pre- or post-payment forfeiture to the extent required by applicable laws or regulations. The Committee may impose additional pre- or post-payment forfeiture provisions upon awards in its discretion. First Horizon reserves the right (and in certain cases may have the legal duty) to cause or seek the forfeiture of all or any portion of any award held by any participant, and/or the reimbursement by any participant to First Horizon of all or any portion of any award paid (including any award earned and deferred) to the participant, for any award where the Board or the Committee concludes in good faith that the participant engaged in fraud or other intentional, knowing, or willful misconduct in connection with the performance of his or her duties as an officer or employee of First Horizon.

Termination of Employment and Change in Control. If, during a performance period, a participant s employment is terminated due to the early retirement, retirement, death or disability of the participant, the participant (or his beneficiary, as the case may be) will nonetheless receive payment of awards under the plan, if any, after the close of the performance period based upon the performance goals actually attained by First Horizon for the performance period. Any such award may be paid in full or may be prorated based on the number of full months which have elapsed in the performance period as of the date of the participant s termination of employment, at the sole and absolute discretion of the Committee. If a participant is an employee on the last day of a performance period but that employment has been terminated on the award s payment date due to early retirement, retirement, death or disability, then the participant (or his beneficiary, as the case may be) will nonetheless receive on the payment date the full award earned under the terms of the plan for the performance period, if any. If a participant s employment with First Horizon is terminated for any reason other than early retirement, retirement, death or disability after the last day of a performance period but before the payment date, the participant (or his beneficiary, as the case may be) will forfeit all rights to any earned but unpaid awards for that performance period under the plan; provided, however, that the Committee may, at any time and in its sole and absolute discretion, authorize a full or partial payment of any earned but unpaid awards under the plan.

In the event the terms of any agreement entered into by First Horizon and a participant governs the payment of any award under the MIP following a change in control, then the payment of that award is governed by the terms and conditions that agreement and not by the MIP. If the payment of any award granted under the MIP following a change in control is not otherwise provided for by the terms of an agreement between First Horizon and a participant, then the payment of that award following a change in control is governed by the following: If a participant s employment is terminated other than for cause by First Horizon or its successor during a performance period in which there was a change in control, the participant receives a payment equal to (a) the target amount the participant would have received for the performance period if the participant s employment with First Horizon is terminated during a performance period in which there has been a change in control, (b) prorated based on the number of full months elapsed in the performance period as of the date of such termination of employment. If a participant s employment is terminated other than for cause by First Horizon or its successor following a performance period in which there was a change in control, but before the payment date for that performance period, the participant will receive the full amount of any award earned but not yet paid for that performance period. For purposes of the foregoing, termination for cause means termination for willful fraud against First Horizon, embezzlement, or other criminal misconduct. Notwithstanding the foregoing, the Committee in its discretion may explicitly provide that a change in control occurring during an award s performance period will result, in lieu of the foregoing, in the award being unaffected by the foregoing provisions of this paragraph, being cancelled, or being paid in an amount less than that provided in the foregoing provisions of this paragraph; this discretion may be exercised as to an award only before or at the time the award is made and not afterward.

Amendment and Termination of the Plan. The Board may terminate or suspend the MIP, in whole or in part, at any time. At any time and from time to time, subject to the applicable shareholder approval requirements of Section 162(m) of the Tax Code, the Board may amend or modify the plan. Except as otherwise provided in the plan, no such amendment, modification, suspension or termination will materially and adversely affect the substantive rights of any participant under any award previously earned but not yet paid to that participant without the consent of that participant. In the event of a termination, in whole or in part, of the plan, the Committee may in its sole discretion direct the payment to participants of any amount payable under the plan and not yet paid out, prior to the payment date, and in a lump sum or installments as prescribed by the Committee with respect to each such participant; provided, however, such payments shall in all events be made within the period permissible for short-term deferrals under Tax Code regulations. Notwithstanding the foregoing, any such payment to a covered officer must be discounted to reflect the present value of such payment using a rate equal to the discount rate in effect under First Horizon s Pension Plan on the date of such payment. The Board may at any time and from time to time delegate to the Committee any or all of its authority described in this paragraph to the extent permitted by applicable law.

Plan Benefits. Future benefits under the MIP are not currently determinable. The Summary Compensation Table beginning on page 57 provides additional information regarding amounts paid under the MIP during 2011.

On this Vote Item No. 3, the Board of Directors unanimously recommends a vote FOR the approval of the MIP, as proposed to be amended and restated.

Equity Compensation Plan Information

The following table provides information as of December 31, 2011 with respect to shares of First Horizon common stock that may be issued under its existing equity compensation plans, including the following plans:

1990 Stock Option Plan (1990 Plan)

1995 & 1997 Employee Stock Option Plans (1995 Plan and 1997 Plan, respectively)

2000 Employee Stock Option Plan (Executive Plan)

2003 Equity Compensation Plan (2003 Plan)

2000 Non-employee Directors Deferred Compensation Stock Option Plan (Directors Plan)

1995 Non-employee Directors Deferred Compensation Stock Option Plan (1995 Directors Plan)

1991, 1996, and 2002 Bank Director and Advisory Board Member Deferral Plans (Advisory Board Plans)

Of the 10,451,145 compensatory options outstanding at December 31, 2011, approximately 48% were issued in connection with employee and director cash deferral elections. The Corporation received over many years a total of approximately $30.6 million in employee cash deferrals and $2.2 million in non- employee director and advisory board retainer and meeting fee deferrals related to those options. The opportunity to defer portions of their compensation in exchange for options has not been offered to employees, directors or advisory board members with respect to compensation earned at any time since January 1, 2005.

The following table includes information with respect to shares subject to outstanding options granted under equity compensation plans that are no longer in effect. Footnotes (2) and (5) to the table set forth the total number of shares of First Horizon common stock issuable upon the exercise of options under the expired plans as of December 31, 2011. No additional options may be granted under those expired plans.

The numbers of shares covered by stock options and the option prices reported in the following table have been adjusted proportionately to reflect the effects of dividends distributed in common stock effective October 1, 2008 through January 1, 2011. The cumulative compound adjustment factor related to those dividends is 20.038%.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	(a) Number of Securities to be Issued upon Exercise of Outstanding Options	(b) Weighted Average Exercise Price of Outstanding Options	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Col. (a))
Equity Compensation Plans Approved by Shareowners(1)	4,557,448 (2)	$ 22.63	3,921,288 (3)
Equity Compensation Plans Not Approved by Shareowners(4)	5,893,697 (5)	$ 25.06	
Total	10,451,145	$ 23.98	3,921,288

(1) Consists of the Executive Plan, Directors Plan, 1995 Directors Plan, 1995 Plan, 1990 Plan, and the 2003 Plan.

(2) Includes 840,628 outstanding options issued in connection with employee and non-employee director cash deferrals of approximately $6.1 million. Also includes

information for equity compensation plans that have expired. The Executive Plan, the Directors Plan, the 1995 Directors Plan, the 1995 Plan and the 1990 Plan were approved by shareholders in 2000, 2000, 1995, 1995, and 1990, respectively. The plans expired in 2010, 2007, 1999, 2005, and 2000, respectively. As of December 31, 2011, a total of 933,164 shares of First Horizon common stock were issuable upon the exercise of outstanding options under these expired plans. No additional options may be granted under these expired plans.

(3) As of December 31, 2011, an aggregate of 3,216,237 shares were

available for awards other than options under the 2003 Plan.

(4) Consists of the 1997 Plan and the Advisory Board Plans.

(5) Includes 4,218,684 outstanding options issued in connection with employee and advisory board cash deferrals of approximately $24.6 million. All equity compensation plans reported in this note have expired or terminated. The 1997 Plan, the 1996 Bank Director and Advisory Board Member Deferral Plan, and the 1991 Bank Director and Advisory Board Member Deferral Plan expired in 2007, 2002, and 1997, respectively, and the 2002 Bank Director and Advisory Board Member Deferral Plan was terminated in 2005. As of December 31,

2011, a total of 5,893,697 shares of First Horizon common stock were issuable upon the exercise of outstanding options under these expired or terminated plans. No additional options may be granted under these expired or terminated plans.

In the table, column (c) shows the number of shares available for future award grants under the plans indicated at December 31, 2011, assuming eventual full exercise or issuance of all shares covered by awards outstanding on that date. Shares covered by outstanding options are shown in column (a). A total of 5,185,771 shares are covered by outstanding awards other than options, including 4,991,712 under plans approved by shareowners and 194,059 under plans not approved by shareowners.

Description of Equity Compensation Plans Not Approved by Shareholders

The 1997 Plan

The 1997 Plan was adopted by the Board of Directors in 1996 and expired in 2007. The 1997 Plan provided for granting of nonqualified stock options.

Options were granted under the 1997 Plan prior to its expiration to substantially all our then-current employees pursuant to the Corporation s FirstShare and management option programs. The FirstShare program was a broad-based employee plan, where all employees (except management level employees) received a stock option award annually. Grants were last made under the FirstShare program in 2006. Terms of the FirstShare options included vesting 100 percent after three years and a term of 10 years. Management level employees received annual stock option awards under the 1997 Plan pursuant to the management option program. Terms of the management options included vesting 50 percent after three years and 50 percent after four years, unless a specified stock price is achieved within the three-year period, and a term of seven years. In addition to the above, prior to 2005 certain employees could elect to defer a portion of their annual compensation into stock options under the 1997 Plan.

These options vested after six months and have a term of 20 years. The options vest on an accelerated basis in the event of a change in control of First Horizon. All options granted under the 1997 Plan, except deferral options, had an exercise price equal to the fair market value on the date of grant. Under our deferred compensation stock option program, the option price per share was less than 100 percent of the fair market value of the share at the time the option is granted if the employee had entered into an agreement with the Corporation to receive a stock option grant in lieu of compensation and the amount of compensation foregone when added to the cash exercise price of the options was at least the fair market value of the shares on the date of grant. The deferred compensation stock option program has not been effective since January 2005.

As of December 31, 2011, options covering 5,834,958 shares of First Horizon common stock were outstanding under the 1997 Plan, no shares remained available for future option grants, and options covering 20,476,829 shares had been exercised during the life of the plan. Of the options outstanding under the 1997 Plan, approximately 71% were issued in connection with employee cash deferral elections. The Corporation received approximately $23.9 million in cash deferrals to offset a portion of the exercise price. The 1997 Plan was filed as Exhibit 10.2(d) in the First Horizon s Form 10-Q for the quarter ended June 30, 2009.

The Advisory Board Plans

The Advisory Board Plans were adopted by the Board of Directors in 2001, 1996, and 1991. The 2002 Advisory Board Plan was terminated in 2005, and the 1996 and 1991 plans expired in 2002 and 1997, respectively.

Options granted under the Advisory Board Plans were granted only to regional and advisory board members, or to directors of certain bank affiliates, in any case who were not employees. The options were granted in lieu of the participants receiving retainers or attendance fees for bank board and advisory board meetings. The number of shares subject to grant equaled the amount of fees/retainers earned divided by one half of the fair market value of one share of common stock on the date of the option grant. The exercise price plus the amount of fees foregone equaled the fair market value of the stock on the date of the grant. The options were vested at the grant date. Those granted on or prior to January 2, 2004 had a term of 20 years, while those granted on or after July 1, 2004 had a term of 10 years.

As of December 31, 2011, options covering 58,739 shares of First Horizon common stock were outstanding under the Advisory Board Plans, zero shares remained available for future option grants, and options covering 205,122 shares had been exercised during the life of the plan.

The Advisory Board Plans were included as Exhibits 10.1(f), 10.1(g), and 10.1(h) to First Horizon s Form 10-Q for the quarter ended June 30, 2009.

VOTE ITEM NO. 4 ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION

First Horizon continued to make significant progress in 2011, executing on strategic priorities, controlling what we could control and adapting to what we could not. We were profitable in each quarter of 2011 thanks to ongoing progress in revenue production and expense control. We strengthened customer relationships and built new ones. We streamlined management to bring decision-making closer to the customer. We made key investments in technology, human capital and improving the customer experience. We reduced the drag of our non-strategic businesses. We improved our already-strong capital ratios even as we launched a stock buyback program and reinstituted a cash dividend. The fact that First Horizon continued to make progress in a low-demand, high-competition environment is a testament to our strategy, our leadership and our people.

In 2011 the executives and employees of First Horizon achieved the following:

Strategy

Successfully executed the sale of several non-core businesses.

Replaced runoff, low margin non-strategic assets with higher-margin regional banking assets.

Executed on a capital management plan and began a $100 million share repurchase.

Financial

Delivered four profitable quarters.

Pre-tax income up 190%.

Non-interest expense decreased by 3.6% or $49 million.

Tier 1 capital ratio of 14.23%.

Customer

Customer satisfaction scores, as measured by JD Power and Associates, improved for the 5th consecutive year.

Increased deposit share by 7%.

Received multiple awards for excellence in customer service from Greenwich Associates.

Employees

Maintained high levels of employee engagement and retention.

Employee value scores, as measured through our annual survey, remained high and exceeded banking benchmarks.

Risk Management Credit Quality

Non-performing assets decreased 38%.

Net charge-offs declined from $527 million to $324 million.

Reserves for loan losses decreased by $280 million.

Our earnings and stock price were impacted in 2011 by residual issues from our former mortgage businesses and by headwinds largely beyond our control the weak U.S. economy, the unsettled financial situation in Europe and a new web of complex banking regulations that raise expenses and reduce revenues. Yet our company made significant progress in 2011, and our broad strategic goal remains the same: build a strong foundation for the future so we are positioned to take full advantage of whatever market conditions arise.

We continue to focus on our regional banking and capital markets businesses. We continue to aggressively tackle credit issues in our banking business. In 2011 those strategies showed tangible evidence of success. For example, our commercial lending expanded significantly while our core deposits grew strongly. The new lending and deposit-taking are particularly encouraging in the current weak environment because credit standards remain strong and core expenses have been reduced.

We continue to seek opportunities to expand our banking franchise in our Tennessee markets and in appropriate new markets in the southeast United States, and we remain committed to pursue such opportunities in a disciplined manner.

Achieving our strategic objectives depends significantly on our ability to attract and retain key employees. Since 2007 we have made significant changes in our executive leadership team and we have made substantial changes in our personnel at all other levels of our company, all while reducing our asset base by more than 30% and our employee base by more than 50%. Our core businesses in regional banking and capital markets have been restructured to operate more efficiently and effectively while preserving the superior customer service and relationships that we believe are keys to our long-term success.

The company s compensation policies and philosophies are designed to align the interests of our employees with the interests of our shareholders in attaining the company s business objectives, performance goals, and shareholder value. The company seeks to attract, retain, incent, and reward individuals who contribute to the long-term success of the company. Specific compensation tools and programs are adjusted to address changes in the industry and our company. Significant successes in our core businesses moderated by the continued impact of headwinds on the company s overall performance were the predominant factors impacting compensation decisions made with respect to our named executive officers for 2011. In 2011 the key elements of compensation paid to these executives were:

Cash base salaries, which have not increased since 2009 with the exception of two executive officers who were promoted to new roles in 2011;

Salary paid in salary stock units, which provide a retention incentive and promote alignment with shareholders interests;

For executives outside of the capital markets business, annual bonus paid 60% in cash and 40% in service-vested restricted stock, which creates a financial incentive for achieving or exceeding one-year company and/or executive management team goals, provide a retention incentive and promote alignment with shareholders interests;

For capital markets executives, an initial portion of annual bonus paid in cash (following industry custom), with the remainder paid in service-vested restricted stock units if the bonus exceeds certain thresholds; and

Long-term equity-based incentive awards issued 60% as performance stock units and 40% as service-vested at-market stock options, which reward achievement of specific earnings or other corporate goals, provide a retention incentive, and promote alignment with shareholders interests.

The Compensation Discussion and Analysis beginning on page 41 of this proxy statement provides a detailed discussion of 2011 compensation for our executive officers. We encourage you to review closely both that section and the tabular disclosure that follows it.

Under Section 14A of the Securities Exchange Act, our shareholders are entitled to an advisory vote on the compensation of our named executive officers as disclosed in this proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and the related material. This advisory vote, commonly known as a say on pay proposal, gives our shareholders the opportunity to endorse or not endorse our executive pay program. At the 2011 annual meeting, our shareholders had the opportunity to cast an advisory vote on how frequently we should hold a say on pay vote. The Board recommended and the shareholders approved an annual frequency for the say on pay vote, and the Board subsequently determined that we would in fact conduct a say on pay vote at each annual meeting.

We believe that the information we have provided within the Compensation Discussion and Analysis, the executive compensation tables and the related disclosure contained in this proxy statement demonstrates that our executive compensation program was designed appropriately and is working to ensure management s interests are aligned with our shareholders interests to support the long-term success of First Horizon. Accordingly, the Board of Directors unanimously recommends that you vote in favor of the following resolution:

RESOLVED, that the holders of the common stock of First Horizon National Corporation (Company) approve, on an advisory basis, the compensation of the Company s executive officers named in the Summary Compensation Table of the Company s proxy statement for the 2012 annual meeting of shareholders as such compensation is disclosed in such proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the executive compensation tables and the related disclosure contained in the proxy statement.

Because your vote is advisory, it will not be binding upon the Board, and the vote on this item will not be construed as overruling a Board decision or as creating or implying any additional fiduciary duty by the Board. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

The Board of Directors unanimously recommends that the shareholders vote FOR the approval of Item No. 4.

VOTE ITEM NO. 5 RATIFICATION OF APPOINTMENT OF AUDITORS

Appointment of Auditors for 2012

KPMG LLP audited our annual financial statements for the year 2011. The Audit Committee has appointed KPMG LLP to be our auditors for the year 2012. Although not required by law, regulation or the rules of the New York Stock Exchange, the Board has determined, as a matter of good corporate governance and consistent with past practice, to submit to the shareholders as Vote Item No. 5 the ratification of KPMG LLP s appointment as our auditors for the year 2012, with the recommendation that the shareholders vote for Item No. 5. Representatives of KPMG LLP are expected to be present at the annual meeting of shareholders with the opportunity to make a statement and to respond to appropriate questions. The 2011 engagement letter with KPMG LLP was subject to alternative dispute resolution procedures and an exclusion of punitive damages. If the shareholders do not vote to ratify KPMG LLP s appointment as our auditors for the year 2012, the Board of Directors will consider what course of action would be appropriate.

Fees Billed to Us by Auditors During 2010 and 2011

The table below and the paragraphs following it provide information regarding the fees billed to us by KPMG LLP during 2010 and 2011 for services rendered in the categories of audit fees, audit-related fees, tax fees and all other fees.

	2010	**2011**
Audit Fees	$ 1,713,000	$ 1,195,000
Audit-Related Fees	513,500	418,500
Tax Fees	15,000	15,000
All Other Fees	0	0
Total	$ 2,241,500	$ 1,613,500

Audit Fees. Represents the aggregate fees billed to us by KPMG LLP for professional services rendered for the audit of our financial statements, including the audit of internal controls over financial reporting, and review of the financial statements in our Form 10-Q s or for services that are normally provided by KPMG LLP in connection with statutory and regulatory filings or engagements.

Audit-Related Fees. Represents the aggregate fees billed to us by KPMG LLP for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and that are not reported under Audit Fees above. The amount for both years consists of fees for audits of subsidiaries, compliance attestation and other procedures and reports on controls placed in operation and tests of operating effectiveness.

Tax Fees. Represents the aggregate fees billed to us by KPMG LLP for professional services for tax compliance, tax advice, and tax planning. The amount for both years consists primarily of tax compliance fees.

All Other Fees. Represents the aggregate fees (if any) billed to us by KPMG LLP for products and services other than those reported under the three preceding paragraphs.

None of the services provided to us by KPMG LLP and described in the paragraphs entitled Audit-Related Fees, Tax Fees and All Other Fees above were approved pursuant to the de minimis exception of SEC Rule 2-01(c)(7)(ii)(C).

In July 2003, the Audit Committee adopted a policy providing for pre-approval of all audit and non-audit services to be performed by KPMG LLP, as the registered public accounting firm that performs the audit of our consolidated financial statements that are filed with the SEC. Services either may be approved in advance by the Audit Committee specifically on a case-by-case basis (specific pre-approval) or may be approved in advance (advance pre-approval). Advance pre-approval requires the Committee to identify in advance the specific types of service that may be provided and the fee limits applicable to such types of service, which limits may be expressed as a limit by type of service or by category of services. Unless the type of service to be provided by KPMG LLP has received advance pre-approval under the policy and the fee for such service is within the limit pre-approved, the service will require specific pre- approval by the Committee. The terms of and fee for the annual audit engagement must receive the specific pre-approval of the Committee. Audit, Audit-related, Tax, and All Other services, as those terms are define in the policy, have the advance pre-approval of the Committee, but only to the extent those services have been specified by the Committee and only in amounts that do not exceed the fee limits specified by the Committee. Such advance pre-approval shall be for a term of 12 months following the date of pre-approval unless the Committee specifically provides for a different term. Unless the Committee specifically determines otherwise, the aggregate amount of the fees pre-approved for All Other services for the fiscal year must not exceed seventy-five percent (75%) of the aggregate amount of the fees pre-approved for the fiscal year for Audit services, Audit-related services, and those types of Tax services that represent tax compliance or tax return preparation. The policy delegates the authority to pre-approve services to be provided by KPMG LLP, other than the annual audit engagement and any changes thereto, to the chair of the Committee. The chair may not, however, make a determination that causes the 75% limit described above to be exceeded. Any service pre-approved by the chair will be reported to the Committee at its next regularly scheduled meeting.

The Board of Directors unanimously recommends that the shareholders vote FOR Item No. 5.

OTHER MATTERS

The Board of Directors, at the time of the preparation and printing of this proxy statement, knew of no other business to be brought before the meeting other than the matters described in this proxy statement. If any other business properly comes before the meeting, the persons named in the enclosed proxy will have discretionary authority to vote all proxies in accordance with their best judgment.

SHAREHOLDER PROPOSAL AND NOMINATION DEADLINES

If you intend to present a shareholder proposal at the 2013 annual meeting, it must be received by the Corporate Secretary, First Horizon National Corporation, P.O. Box 84, Memphis, Tennessee, 38101, not later than November 13, 2012, for inclusion in the proxy statement and form of proxy relating to that meeting.

In addition, Sections 2.8 and 3.6 of our Bylaws provide that a shareholder who wishes to nominate a person for election to the Board or submit a proposal at a shareholders meeting must comply with certain procedures whether or not the matter is included in our proxy statement. These procedures require written notification to us, generally not less than 90 nor more than 120 days prior to the date of the shareholders meeting. If, however, we give fewer than 100 days notice or public disclosure of the shareholders meeting date to shareholders, then we must receive the shareholder notification not later than 10 days after the earlier of the date notice of the shareholders meeting was mailed or publicly disclosed. Shareholder proposals and nominations for election to the Board must be submitted to the Corporate Secretary. The shareholder must disclose certain information about the nominee or item proposed, the shareholder and any other shareholders known to support the nominee or proposal. Section 2.4 of our Bylaws provides that the date and time of the annual meeting will be the third Tuesday in April (or, if that day is a legal holiday, on the next succeeding business day that is not a legal holiday) at 10:00 a.m. Memphis time or such other date and/or such other time as our Board may fix by resolution. The meeting date for 2013, determined according to the Bylaws, is April 15, 2013. Thus, shareholder proposals and nominations submitted outside the process that permits them to be included in our proxy statement must be submitted to the Corporate Secretary between December 16, 2012 and January 15, 2013, or the proposals will be considered untimely. Untimely proposals may be excluded by the Chairman or our proxies may exercise their discretion and vote on these matters in a manner they determine to be appropriate.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

In 2011 our company continued to make significant progress in building for the future. We executed our strategic priorities, controlled what we could control and adapted to what we could not. First Horizon was profitable in each quarter of 2011 thanks to ongoing progress in expense control and revenue production. We made key investments in technology, in human capital and in improving the customer experience. We streamlined management to bring decision-making closer to the customer. We strengthened customer relationships and built new ones. Through dispositions and asset wind-down, we reduced the drag of our non-strategic businesses. We improved our already-strong capital ratios during 2011 even as we reinstituted a cash dividend and launched a stock buyback program. The fact that First Horizon continued to make progress in a low-demand, high-competition environment is a testament to our strategy, our leadership and our people.

Residual issues from our former mortgage businesses affected our earnings and stock price in 2011: latent exposures to claims from third parties who purchased mortgages or mortgage backed-securities from our former mortgage origination platform from 2004 to 2008, as well as exposures related to past mortgage origination, servicing, or foreclosure practices. These mortgage exposures, created by a strategy implemented by former management, are things we can manage over time. We made significant progress in 2011 in the face of headwinds largely beyond our control: the weak U.S. economy, the unsettled financial situation in Europe, and a new web of complex banking regulations that raise expenses and reduce revenues. We expect these headwinds will continue to buffet our industry in 2012 and beyond.

Our broad strategic goal remains the same: build a strong foundation for the future so we are positioned to take full advantage of whatever market conditions arise. This goal influenced compensation decisions throughout the company in 2011, resulting in an overall emphasis on foundation-building without losing sight of the fact that prudent management must prepare for uncontrollable factors.

We continue to focus on our regional banking and capital markets businesses. We continue to aggressively tackle credit issues in our banking business. In 2011 those strategies showed tangible evidence of success. For example, our commercial lending expanded significantly while our core deposits grew strongly. The new lending and deposit-taking are particularly encouraging in the current weak environment because credit standards remain strong and core expenses have been reduced.

When considering compensation decisions the Compensation Committee recognized the management team s significant progress on the following:

Strategy

Successfully executed the sale of several non-core businesses.

Significantly reduced our cost structure and enhanced our business model while maintaining high levels of customer service.

Rebuilt our technology platform allowing for increased profitability and growth.

Replaced runoff, low margin non-strategic assets with higher-margin regional banking assets.

Executed on a capital management plan and began a $100 million share repurchase.

Financial

Delivered four profitable quarters.

Pre-tax income up 190%.

Non-interest expense decreased by 3.6% or $49 million.

Tier 1
capital ratio
of 14.23%.

Customer

Customer satisfaction scores, as measured by JD Power and Associates, improved for the 5th consecutive year.

Increased deposit share by 7%.

Received multiple awards for excellence in customer service by Greenwich Associates.

Employees

Maintained high levels of employee engagement and retention.

Employee value scores, as measured through our annual survey, remained high and exceeded banking benchmarks.

Risk Management Credit Quality

Non-performing assets decreased 38%.

Net charge-offs declined from $527 million to $324 million.

Reserves for loan losses decreased by $280 million.

Achieving our strategic objectives depends on our ability to attract and retain key employees. Since 2007 we have made significant changes in our executive leadership team and we have made substantial changes in our personnel at all other levels of our company, all while reducing our asset base by more than 30% and our employee base by more than 50%. Our core businesses in regional banking and capital markets have been restructured to operate more efficiently and effectively while preserving the superior customer service and relationships which we believe are keys to our long-term success.

The company s compensation policies and philosophies are designed to align the interests of our employees with the interests of our shareholders in attaining the company s business objectives, performance goals, and shareholder value. The company seeks to attract, retain, incent, and reward individuals who contribute to the long-term success of the company. Specific compensation tools and programs are adjusted to address changes in the industry and our company. As described below, significant successes in our core businesses moderated by the continued impact of headwinds on the company s overall performance were the predominant factors impacting compensation decisions made with respect to our named executive officers (NEOs) for 2011.

Compensation Committee Administration

The Compensation Committee of the Board administers all plans and programs connected with the compensation of our NEOs. Information concerning the Compensation Committee, its current members, and its charter is provided under the caption The Compensation Committee beginning on page 14 of this proxy statement.

Overview

In late 2010 the company repaid the U.S. Treasury its TARP investment in us. As a result, our compensation practices in 2011 were redesigned into a new structure that balanced risk and results while better aligning compensation with company performance. The new structure is substantially different from 2009 and 2010, when TARP rules imposed significant restrictions on the forms and amounts of compensation allowed. Cash salaries for NEOs were unchanged from 2010, but other elements changed substantially: salary stock unit levels fell significantly; annual bonus opportunities were reinstated; and equity awards were increased somewhat to more competitive levels. The key corporate performance measure for bonuses in 2011 was pre-tax normalized-provisioning earnings. Based on actual results along with other factors discussed below, bonuses were paid to the NEOs for 2011 at close to target levels, including Mr. Kisber s which was earned under the 2002 Management Incentive Plan (MIP) but was determined by the overall incentive pool created under the Capital Markets Incentive Compensation Plan.

CEO Pay in 2011

The Committee has considered Mr. Jordan s significant contribution in turning around the company when making decisions about his pay. Since becoming CEO in 2008, Mr. Jordan has led the restructuring of the company, the development of a new strategy, recruitment of a new management team, and a return to profitability. Under his leadership, the company s performance in 2011 was strong. Net income available to common shareholders, pre-tax income in the core business segments and diluted earnings per share all grew significantly in 2011. Deposit market share, loans and deposits grew in the regional banking business, the unique business model in the capital markets business continued to make that group a strong contributor, and loans declined in the non-strategic segment. Credit quality and related costs continued to improve. First Horizon also strategically managed capital in 2011, reinstating a cash dividend and launching a $100 million share repurchase program.

Mr. Jordan s target pay is approximately at the median of FHN s peer group with the possibility for higher pay based on performance. He met or exceeded his personal goals, and he successfully continued to strengthen the company and provide critical leadership through an extremely challenging time for the banking industry.

A major consideration in evaluating Mr. Jordan s pay is the fact that he was recruited as CFO in 2007, and then promoted to CEO in 2008, to rebuild First Horizon and reverse the decline in its financial performance. Previous management embarked on a strategy to build a national mortgage and real estate related lending business. These businesses were significantly impacted by the financial crises; they have resulted in large losses for FHN since 2007 which continue to be a drag on our earnings.

In 2011, key elements of Mr. Jordan s compensation were as follows:

His total direct compensation package (based on target levels) was $3.4 million, unchanged from 2009 and 2010. The package was structured so that 40% of the package (at target) would be paid in cash, 60% in equity.

His annual cash salary rate was $800,000, unchanged since 2008 when he was promoted to CEO.

His annual salary stock unit rate was $320,000. The value of those units will rise or fall with the value of our stock until they are paid in 2012.

His target annual bonus opportunity was $960,000. As discussed below, his actual bonus paid was $864,000. For 2011, 40% of the bonus earned was paid in the form of service-vested restricted shares, and the balance was paid in cash. Performance metrics for 2011 bonuses were a combination of corporate earnings and other factors as outlined in the MIP calculations grid table.

His equity awards in 2011 totaled $1,320,000, of which 60% were performance stock units (PSUs) and 40% were service-vested at-market stock options. In converting the dollar value of each award into units or shares: PSUs were valued at 100% of the market value of the underlying shares at the grant date with no discount for risk of forfeiture or delay in payment; and stock options were valued at 25% of the market value of the underlying shares. The actual realizable value of these awards, assuming applicable conditions are met, will rise or fall with the value of our stock. As discussed below, the key performance goal for the PSU awards is our company s return on equity ranking relative to peers during the three years 2011 to 2013.

The pay mix for Mr. Jordan is in line with company peers. His total direct compensation has not changed. In recent years however his pay mix changed with the introduction of SSUs and a portion of his annual bonus being paid in restricted shares. This arrangement among the other elements of his compensation package provides a deferral and a stronger alignment to company performance and shareholders. Fundamentally, all other major compensation components (salary stock units, bonus opportunity, and equity awards) are linked to corporate performance goals, stock price performance, or both, and all provide a retention incentive as well. The actual value of some of Mr. Jordan s compensation elements fluctuates with share price performance.

For the last three years since Mr. Jordan became the CEO, and for the previous two years under his predecessor, actual compensation of the CEO position has been significantly below target levels due to the non-achievement of performance goals established in MIP (annual cash bonus) opportunities and performance stock awards, largely due to the drag of discontinued businesses. In the past five years, our CEO received a MIP bonus twice, and the minimum goals for performance stock awards have been achieved twice. Both times for the MIP, and once for the stock awards, payment was less than target. Even though for 2011 Mr. Jordan received the highest bonus amount paid to our CEO in the past five years, his actual compensation for 2011 nevertheless will be significantly below target if the performance of the 2011 PSUs ultimately falls well below the target level.

Due to his outstanding leadership and returning the company to profitability and positioning it for growth, the Compensation Committee is evaluating granting an equity retention award to Mr. Jordan tied to the company s success in meeting key performance targets.

CEO Performance Outcomes Last Five Years

	MIP (annual cash bonus)			Performance Stock Awards		
		Amount Earned			Amount Earned*	
Year	**Opportunity at Target ($)**	**$**	**% of Target**	**Opportunity at Target ($)***	**$**	**% of Target**
2007	$ 1,000,000	$ 0	0 %	$ 1,288,950	$ 0	0 %
2008	$ 1,000,000	$ 0	0 %	$ 2,147,050	$ 0	0 %
2009**	$ 1,000,000	$ 339,041	34 %	$ 1,600,000	$ 1,600,000	100 %
2010***	N/A	N/A	0 %	$ 680,000	$ 340,000	50 %
2011	$ 960,000	$ 864,000	90 %	$ 792,000	None Yet	0 %

* Valued at grant. Actual values at payout are likely to differ.

** Bonus was curtailed by TARP rules in 2009. In 2009, the Performance Stock Award represented 100% of the CEO s annual long-term equity award, instead of the normal 60%.

*** Bonuses were prohibited and Performance Stock Awards

curtailed by
TARP rules
in 2010.

NEO Pay Components

In 2011 the principal components of total direct compensation for most of our NEOs were cash salary, salary paid in salary stock units, annual bonus, and long-term equity-based incentive awards. Bonuses in 2011 were paid 60% in cash and 40% in service-vested restricted stock. NEO equity awards in 2011 were issued 60% as performance stock units (PSUs) and 40% as service-vested at-market stock options. The following table presents an overview of the components of compensation in 2011 for our NEOs, the details of which are provided in later sections.

Compensation Components for NEOs in 2011

Compensation Component	Primary Purpose	Key Features
Cash salary	Provide competitive baseline compensation to attract and retain executive talent	Salaries are determined based on prevailing market levels with adjustments for individual factors such as performance, experience, skills, and tenure. Cash salaries for NEOs have not increased since 2009 other than for Messrs. Kisber and Popwell, who were promoted into new roles in 2011.
Salary stock units (SSUs)	Provide competitive compensation as part of salary which provides a retention incentive and promotes alignment with shareholders interests	SSUs are granted quarterly in arrears at a fixed dollar rate. Each unit is equivalent to a share of our stock priced at the time of grant. SSUs accumulate during each year and are paid in cash during the following year based on our stock value at the time of payment.

Compensation Component	Primary Purpose	Key Features
Annual bonus	Create a financial incentive for achieving or exceeding one-year company and/or executive management team goals, provide a retention incentive, and promote alignment with shareholders interests	For the CEO and most other NEOs, the 2011 bonus opportunity was performance-based under our shareholder-approved 2002 Management Incentive Plan. For corporate and banking officers the key metrics in 2011 were pre-tax, normalized-provisioning earnings coupled with a balanced scorecard and individual performance. The scorecard ranked our performance against peers using multiple measures in several areas, including earnings, capital, liquidity, and credit. Most NEO bonuses were paid 60% in cash and 40% in service-vested restricted stock.
Annual Equity Awards: Performance Stock Units (PSUs) & Service-vested Stock Options	Provide performance and service-vested equity-based incentives which reward achievement of specific earnings or other corporate goals, provide a retention incentive, and promote alignment with shareholders interests	PSUs were 60% of the annual equity award package in 2011 for most NEOs. The PSUs performance goal depends upon our return-on- equity ranking relative to peers during the performance period 2011-13.
Retirement and tax- deferral benefits	Provide competitive opportunities for executives to prepare for retirement and defer payment of taxes on a portion of earned compensation	Benefits are offered through broad-based and restoration pension plans, a broad-based 401(k) savings plan, and officer deferred compensation programs.
Perquisites and benefits	Provide personal benefits to meet competitive pressures for talent	Many benefits (such as health insurance) are provided under broad-based programs.
Change in control (CIC) benefits	Given the continuing consolidation in the banking industry, these allow us to compete for executive talent during normal times. If a CIC situation were to arise, these benefits motivate our executive team to remain with the company and focus on corporate objectives during the pursuit, closing, and transition periods of the transaction.	Severance agreements and equity awards granted after 2006 have double triggers and are paid only if employment terminates in connection with a CIC event. Key benefits for NEOs are cash severance payments based on cash salary and annual bonus and accelerated vesting of equity awards.

Compensation Philosophies and Practices

Alignment of NEO and Other Executives Interests with Shareholder Interests

Our compensation plans and programs are designed to align the interests of our executives with the interests of our shareholders. A substantial portion of NEO compensation is directly linked to First Horizon s stock price.

Retention, Attraction, and Competition

Our compensation plans and programs are also designed to attract and retain a talented workforce. Our employees are a significant and valuable asset. We recruit from a broad pool of talent, and our people in turn may be recruited by competitors and other financial services firms as well as general industry firms. Our total compensation opportunity at each level must be competitive. If it is not, then over the long term we risk losing our best people while hampering our ability to replace them.

Use of Peer Group Data

The Committee reviews the compensation practices of a peer group of selected banks of comparable size to ensure our pay programs remain competitive and allow for the hiring and retention of key talent. These are the banks with whom we most typically compete for talent.

The Total Shareholder Return Performance Graph (TSR graph) that appears in our annual report to shareholders (see page 190 of that report) uses the Keefe, Bruyette & Woods (KBW) regional banking index against which to compare our total shareholder return, or TSR, which measures stock price performance plus reinvested dividends. The banks comprising the KBW index vary in size and business mix to a significant degree compared with our company. Those KBW banks are not necessarily an ideal group to use to set compensation awards.

For many years the Committee has considered specific data from a somewhat different group of peer companies (Peer Banks) in setting many of the compensation components for executives. The Peer Banks used for 2011 were 15 regional financial services companies selected by the Committee with the advice of, and using information provided by, management s consultant in 2011, McLagan, an Aon Hewitt company. Management worked with McLagan to develop recommendations and the Committee approved the 2011 Peer Banks group for 2011. The Peer Banks group is adjusted as we and the industry change. Compared with 2010, the 2011 group eliminated a number of larger banks and added a few smaller banks. The 2011 Peer Banks had a median asset size of approximately $24 billion. For comparison, our asset size at the beginning of 2011 was approximately $25 billion. The 15 Peer Banks used for 2011 were:

Peer Banks Used for 2011 Awards

Associated Banc-Corp	Commerce Bancshares Inc.	M&T Bank Corp.	TCF Financial Corp.
BOK Financial Corp.	Cullen/Frost Bankers Inc.	Marshall & Ilsley Corp.	Webster Financial Corp.
City National Corp.	First Niagara Financial Group	People s United Financial*	Zions Bancorporation
Comerica Inc.	Huntington Bancshares	Synovus Financial Corp.	

* People s United Financial was not among the Peer Banks used for the annual bonus, but was used for PSUs.

The Committee uses market data to help establish the size and terms of the components of direct compensation for executives. To ensure that the majority of each executive s total compensation opportunity is earned through annual or long-term results, cash and stock unit salaries are targeted at the median of the market for each position. Actual salaries may be higher or lower than median based on individual factors (performance, experience, skills, and tenure) or our retention needs. Bonus and equity awards are targeted similarly: target-level compensation is intended to be paid for median performance, and maximum compensation is intended to be paid for top-quartile performance. In some cases relative performance is estimated based on projections of market or peer performance, but in 2011 significant metrics are based on the company s ranking relative to the Peer Banks.

Benefits and other peripheral components of our compensation program were established and are maintained so that the combination of benefits we offer remains generally competitive with other institutions in the financial services industry based on generally known practices and trends rather than upon statistical analyses or formal benchmarking to any specific group. Those components include retirement and tax-deferral programs and benefits, perquisites, and change in control severance agreements as well as change in control features in many plans.

For the special compensation components, including retention bonuses and individual retirement and severance arrangements, relevant market data often is not available. In those cases the Committee relies on recommendations from management along with external advice from the Committee s consultant to determine the types, amounts, or terms of such benefits that are reasonable and appropriate for the circumstances.

Relative Sizing & Mix of Direct Compensation Components

The direct components of executive compensation are cash salary, salary paid in salary stock units (or SSUs), annual bonus, and annual equity-based incentive awards. In 2011 retention equity awards also were granted to selected NEOs, as discussed under Components of Compensation Program ; these non- regular awards are ignored in the following discussion. In setting the size of the direct compensation components for 2011, the Committee considered the total compensation opportunity at target payout levels for each position. The target total mix of the direct components is summarized in the following table. This table illustrates the regular annual pay packages planned by the Committee early in 2011. See Summary Compensation Table beginning on page 57 for additional information concerning amounts paid or earned in 2011.

2011 Mix of Regular Annual Direct Compensation Opportunity Components Using Target Levels

NEO	Annual Cash Salary	Salary Stock Units	Annual Bonus Target	2011 Annual Equity Award	Total
Mr. Jordan	24 %	9 %	28 %	39 %	100 %
Mr. Losch	34 %	13 %	23 %	30 %	100 %
Mr. Kisber*	10 %	15 %	50 %	25 %	100 %
Mr. Popwell**	36 %	14 %	24 %	26 %	100 %
Mr. Tuggle	34 %	13 %	23 %	30 %	100 %
Mr. Burkett**	29 %	11 %	26 %	34 %	100 %

* Mr. Kisber s compensation package is designed differently than the other NEOs.

** Mr. Burkett retired as an executive officer on June 30, 2011. Mr. Popwell assumed executive officer duties in July 2011. The mix in the table reflects determinations made early in 2011, prior to these events. Mr. Popwell s salary rates were increased in July 2011 but his other major components were unchanged.

Normally, the amount of each component is determined in relation to cash salary. Cash salaries, and overall compensation target levels, are based largely on these factors: individual experience, individual performance, level of responsibility, and competitive practices. A specific need for retention also can play a role. The size of each direct component for the named executives as a percentage of cash salary is shown in the following table.

2011 Sizing of Major Compensation Components
As a Percentage of Annual Cash Salary

			2011 Annual Equity Awards		
NEO	**Salary Stock Units**	**Annual Bonus Target**	**Service-vested Stock Options**	**Performance Stock Units**	**Total Equity**
Mr. Jordan	40 %	120 %	66 %	99 %	165 %
Mr. Losch	40 %	70 %	36 %	54 %	90 %
Mr. Kisber*	150 %	500 %	100 %	150 %	250 %
Mr. Popwell**	40 %	66 %	29 %	43 %	72 %
Mr. Tuggle	40 %	70 %	36 %	54 %	90 %
Mr. Burkett**	40 %	90 %	48 %	72 %	120 %

* Mr. Kisber s compensation package is designed differently than the other NEOs.

** Mr. Burkett retired as an executive officer on June 30, 2011. Mr. Popwell assumed executive officer duties in July 2011.

The data in the table reflects determinations made early in 2011, prior to these events. Mr. Popwell s salary rates were increased in July 2011 but his other major components were unchanged.

Annual bonuses for 2011 were payable 60% in cash and 40% in service-vested restricted stock with the exception of Messrs. Burkett and Kisber. For NEOs the mix of 2011 equity awards was 60% performance stock units, or PSUs, and 40% service-vested stock options. In the current business and stock market environment, the Committee believes that this mix of equity provides appropriate incentives both to focus on performance goals and to remain with the company in difficult times. The performance criteria of the annual bonus and PSU awards were changed significantly from previous years, as discussed under the caption Annual Equity Awards beginning on page 50 below.

As mentioned above, the components of executive compensation generally are determined based on the responsibilities of and the competitive market for each position, and on the individual s experience and performance. There is no fixed weighting of those factors. Ordinarily, cash salary increases would affect overall target levels, but in 2011 there were no regular cash salary increases for the named executives. Mr. Popwell s cash salary and SSU rates were modestly increased when he was promoted in July, but that was a special circumstance and his other components were unchanged for 2011. Certain benefits such as pensions are also related to cash salary and (up to certain limits) SSU levels. There is no other significant interdependence among the compensation components. The percentages shown for all regular 2011 equity awards in the tables above relate to the salary rate that was in effect on February 11, 2011 and the stock fair market value on that date, which was $11.85.

The Committee s overall objective is to provide a competitive pay package and thus set competitive target and maximum opportunities. A key factor considered during the setting of targets relates to the appropriate mix of base pay versus pay at risk for performance, and the mix between short- and long-term compensation. The tables above show that the CEO s compensation package is more heavily weighted in favor of performance-based pay than most other of the named executives and also is more heavily weighted in favor of long-term versus short-term incentives than most of the other named executives, consistent with the greater responsibilities of this position, prevalent market practices among our Peer Banks, and our compensation philosophy which endeavors to link a substantial portion of executive pay to performance.

Consideration of Advisory Vote on Executive Compensation

The Compensation Committee made nearly all key decisions regarding 2011 compensation for the named executives early in 2011. At that time the Committee was aware of the outcome of the shareholder advisory vote at the 2010 annual meeting which related to 2009 compensation. Of the shares voted in respect of this item at the 2010 meeting, 95.5% were For, 3.2% were Against, and 1.3% voted to abstain. That vote outcome was part of the mix of factors considered by the Committee early in 2011, and had no direct or separately identifiable effect on the Committee s decisions.

Components of Compensation Program

Base Salary

Consistent with our practices and our compensation philosophy, the Committee establishes our CEO s base salary annually based on achievement of objectives in his individualized written personal plan and competitive practices within the industry. The CEO develops a personal plan each year that contains financial and strategic goals. The CEO submits that plan to the Committee for review and approval. The Board of Directors also reviews the plan.

For executive officers other than our CEO, the Committee approves base salaries each year taking the CEO s recommendations into account. In 2011, cash salaries of the NEOs generally continued to be frozen, consistent with a general salary freeze for officers with salary rates over $150,000. Salary stock unit (SSU) rates for NEOs fell substantially compared to 2010 in conjunction with the reinstatement of an annual bonus opportunity and the normalization of equity award levels in a post-TARP environment. However, Mr. Kisber s salary rates were increased at the beginning of 2011 when he was promoted to his current role, and Mr. Popwell s salary rates were increased at the time of his promotion in July.

Annual Bonus

The bonus opportunity offered to each NEO (other than Mr. Kisber, whose bonus is discussed separately at the end of this section) for each year under our MIP is based on targets that are approved by the Committee early in that year. In general, each MIP bonus is based on achievement of company and/or business unit financial targets as well as individual personal plan objectives. In assessing achievement of financial targets, the Committee will exclude certain items such as accounting changes and certain other non-recurring events. For most NEOs MIP bonuses are affected in part by individual performance, and for all NEOs MIP bonuses can be reduced based on several corporate as well as individual factors.

For 2011, the Committee established a two-part framework. Part 1 established an overall maximum MIP bonus opportunity per person equal to 2% of consolidated 2011 pre-tax normalized-provisioning earnings. This measure is pre-tax earnings adjusted to exclude certain one-time or unusual financial or accounting items, and further adjusted to substitute a pre-determined measure of normalized provisioning expense in place of actual provisioning expense. By using normalized provisioning expense, the Committee intended to remove a possible incentive that might be viewed as compromising the provisioning process and to focus on those factors properly within management s ability to affect.

Subject to the Part 1 maximum, the Committee could exercise discretion to determine the final bonus amount. The Committee established as Part 2 a grid framework to guide the exercise of that discretion. Individual bonuses were to be determined by applying a corporate rating and an individual rating to the individual target bonus levels for each NEO. The corporate rating was based on budgeted pre-tax normalized-provisioning earnings as illustrated in the following table, plus a qualitative assessment based on a multi-point balanced scorecard which rates the company against 14 Peer Banks (discussed below). The earnings levels used to create the corporate rating grid were based on our budget for the year 2011, and were selected primarily to provide an incentive to achieve or exceed budget. In all cases pre-tax earnings were adjusted for specific matters such as changes in accounting principles and certain unusual or non- recurring items such as certain accounting method changes or litigation/contingency settlements. For each executive, his or her calculated bonus amount was subject to further adjustment based on individual personal plan results, and was subject to a plus-or-minus 25% adjustment based on the Committee s assessment of the individual s contributions to team efficiency goals. All points on the grid and all calculated bonus amounts were subject to discretionary adjustment up or down by the Committee, but could not exceed the Part 1 maximum. In addition, all Part 2 calculated bonus amounts could not exceed 150% of the target amount.

2011 MIP Bonus Calculation Grid

Adjusted 2011 Pre-Tax Normalized-Provisioning Earnings	**Percent of Budget**	**Pre-tax NPE Rating* (wtd 50%)**	**Balanced Scorecard Rating (wtd 50%)**	**Final Corporate Rating**	**Individual Rating**	**Efficiency Rating**	**Earnings Quality Rating**
$269 million or more	125% or higher	150%	Rating of 0% to 150% reflecting qualitative assessment based on multi- point balanced scorecard	Final corporate rating of 0% to 150% equal to the sum of the weighted pre- tax NPE and balanced scorecard ratings	Execution of personal plan goals for the year results in a personal plan rating of 0% to 150%	Individual contribution to achieving team efficiency goals results in a rating from 75% to 125% (impacts bonus + or 25%)	Assessment of quality of earnings results in a rating from 80% to 100% (impacts bonus 0 to -20%)
$215 million	100%	100%					
$161 million	75%	50%					
$108 million or less	50% or lower	0%					

* Rating is interpolated if results fall between two

points on
the grid.

The balanced scorecard used to adjust the Corporate Rating in 2011 ranked our company among 14 Peer Banks on the following financial measures: total assets; market capitalization; Tier 1 capital ratio; ratio of total common equity to total assets; wholesale funding percentage; ratio of loans to deposits; ratio of non-performing assets to total assets; ratio of loan reserves to total loans; ratio of net charge-offs to average loans; net interest margin; efficiency ratio; return on average assets; return on average equity; fee income percentage; ratio of securities to total assets; shareholder return; and the ratio of share price to tangible book value. The scorecard uses financial measures and peer rankings, but was not used in a quantitative manner to determine a specific numerical rating. Instead, the Committee considered the scorecard results overall in a discretionary manner to determine a quantitative rating.

In 2011, the CEO s personal plan included six major performance areas: strategic; financial; customer relationships & goodwill; employees & culture; business process & model execution; and risk management & credit quality. Except as mentioned below, these areas had no particular weighting and were not applied in a quantitative manner. Although other NEOs personal plans generally were not identical to the CEO s, there was substantial overlap and all other NEO plans were intended to support achievement of the CEO s personal plan while at the same time be related to operations managed by the NEO. All NEO personal plans, including the CEO s, were subject to Committee review and approval. When the personal plans were approved early in 2011, the Committee specified that each personal plan rating could be reduced up to 20% based on the Committee s assessment of achievement of risk management objectives.

The final outcome of the bonus process for the NEOs other than Mr. Kisber was a calculated Part 1 maximum of $4.68 million and a determined Part 2 corporate rating of 90%. The Part 1 maximum was based on adjusted pre-tax normalized-provisioning earnings for 2011 of $234 million. The normalized- provisioning adjustment had the effect of significantly reducing reported pre-tax earnings because actual provision expense in 2011 was unusually low. The Part 2 rating was based on the following components and factors: the pre-tax NPE rating was calculated to be 109%; and the calculated corporate rating was 120% but the Committee used discretion to reduce it to 90% after considering the balanced scorecard results and other factors. The Committee determined that no adjustments were appropriate for efficiency or earnings quality, so those ratings were 100%. Individual ratings among the NEOs ranged from 100% to 125%.

The following facts, among others, influenced the Committee s exercise of discretion in determining the ratings noted above; none were given any particular weighting. Pre-tax normalized-provisioning earnings were $19 million above target. Pre-tax pre-provision earnings within the Regional Banking segment grew $26 million, or 10.9%, and were favorable to budget by $45 million. Deposits and commercial lending in that segment increased solidly in 2011. New fees and pricing strategies were developed to mitigate revenue loss resulting from recent regulatory impacts (Reg E and the Durbin Amendment), with approximately 75% replacement in place by year-end. Expense efficiencies of $139 million were identified during the year and $112 million of those were implemented by year-end. Full time employees were down 13%, partly through divestitures and partly through right-sizing efforts. Despite improved earnings and the positive factors noted above, our stock price declined during the year. The decline appeared to be significantly related to several key factors, including the current low interest rate environment, continuing difficulties connected with low real estate values and high unemployment, expense and risk overhang associated with exited businesses in our Non-Strategic segment, risk overhang associated with regulatory reform, and significant uncertainties in overseas financial markets, especially in Europe. Additionally, loan repurchases were higher than budgeted.

NEO bonuses for 2011 generally were paid 60% in cash and 40% in the form of restricted stock. For each NEO the stock will vest 33% per year over three years if the NEO remains with the company through the vesting dates. The effective value of the restricted stock to each NEO will depend upon our stock price at the time of vesting.

Mr. Kisber is the president of our capital markets business unit (FTN Financial). His cash bonus for 2011 was earned under the MIP, but was determined by the overall incentive pool created under the Capital Markets Incentive Compensation Plan to provide a bonus opportunity consistent with that of capital markets competitors. The incentive pool generally is funded as a specified percentage of divisional net profits, as defined, plus an additional percentage if net profits exceed a specified return on expense. Mr. Kisber s 2011 compensation package generally is a percentage of the pool approved by the Committee each year, not to exceed 15% and subject to certain limits imposed by the Committee. The Committee imposed a $3 million overall limit on Mr. Kisber s 2011 bonus. The first $2 million was to be paid in cash and any amount over that, up to $1 million, would be paid in restricted stock units, or RSUs. The RSUs would provide for service vesting 18 months after grant and would be payable in cash. The Committee also retained the discretion under the MIP to reduce any calculated bonus amount for Mr. Kisber. Capital markets operating contribution to FHN s net profits was $69 million in 2011, and Mr. Kisber s earned bonus for 2011 was $2,000,000 in cash and $1,000,000 in RSUs.

<u>Annual Equity Awards</u>

Overview of Equity Awards in 2011

In 2011 the Committee divided the long-term incentives for NEOs into two pieces: 40% of each award was in the form of service-vested stock options, and 60% consisted of performance-based PSUs. This provided a mix of awards combining a substantial retention incentive with a strong emphasis on targeted performance.

Overview of Performance Equity Program

Consistent with competitive practice, since 2004 the Committee has made annual grants of performance equity awards with a multi-year performance period. The financial goals established at the beginning of each performance period are company-wide in focus and are uniform for all executives. Since grants are made annually, financial results in any given year can affect several outstanding awards. The Committee adjusts the performance goals each year based on the company s objectives at that time, and often alters the type of the award based on competitive pressures and other situational factors.

The performance equity program provides an incentive for executives to achieve targeted financial results over a period longer than an annual period and links a significant portion of each executive s pay to overall corporate results irrespective of the business unit in which they work, and also links that portion of pay to our stock price.

Performance Goal of PSU Awards

The PSUs granted in 2011 were granted as target numbers of stock units; the actual payout could range from 0% to 150% of the amount granted. For the 2011 PSU awards, the company s reported return on equity (ROE) averaged over the three-year period 2011-2013 will be ranked against the ROEs of 15 Peer Banks averaged over the same period. Top quartile performance will result in a payout percentage of 150%, bottom quartile will result in 0%, and performance in the middle quartiles will result in payouts ranging from 50% to 150%. Only whole-year ROE results will be counted in making the rankings.

The goals of the 2011 PSUs are structurally different from earlier performance awards. First, they are rank-based, comparing our ROE results to our Peers. In the past the goals have been specific financial targets; although those targets often were set with peers in mind, the goals themselves did not make reference to relative performance. Second, the 2011 goals are likely to provide a relatively wider range of outcomes where at least some payout can be achieved. These two changes were made because of the volatile and changing environment for us and our Peers, which include both TARP and non-TARP Banks. This approach was chosen in part to provide flexibility; to a degree, the awards should self-adapt to factors which will unfold over a three-year time horizon and which cannot be predicted in advance.

PSU Performance Achievement in Recent Years

Long-term performance goals established for PSUs have been achieved at target only one of the last three years. Specifically, the earnings goals established for PSUs granted in 2009 have been fully met, and through year-end 2011 the goals for 2010 PSUs have been achieved sufficiently to pay 50% of target. As a result, the PSUs granted in 2008 and earlier years all have forfeited, and the remainder of the 2010 PSUs will forfeit unless performance in 2012 or 2013 exceeds performance to date. The 2009 PSUs will vest in equal installments on the third and fourth anniversaries of the grant date for NEOs who remain with the company until vesting occurs.

Service-Vested Stock Options

Service-vested stock option awards vest in equal installments on the first four anniversaries of grant if the recipient remains employed with the company through the vesting dates. There is no accrual of cash dividends. Each option has a seven-year term and was priced at market at the time of grant. A stock option provides a direct retention incentive over its vesting period. The retention incentive is not dependent upon corporate results, and therefore would not be weakened if achievement of performance goals became unlikely during the vesting period. Since the value of the award depends upon our stock value rising during the term of the option, these awards also align a significant portion of NEO compensation with the interests of shareholders.

Retention Equity Awards

In 2011 the Committee approved special retention awards of service-vested restricted stock to selected executives, including three NEOs: Mr. Losch, Mr. Popwell, and Mr. Tuggle. The executives were selected primarily based on the CEO s recommendation that these persons fulfill a critical role at the company at this time. Award sizes to NEOs were not determined formulaically; they ranged from 93% to 125% of cash salary. Service-vested restricted stock awards vest in equal installments on the third and fourth anniversaries of grant if the recipient remains employed with the company through the vesting dates. Any cash dividends are retained by the company until vesting. Restricted stock provides a direct retention incentive over its vesting period. The retention incentive is not dependent upon corporate results. Since the value of the award depends upon our stock value at vesting, the awards also align a significant portion of executive compensation with the interests of shareholders.

Stock Ownership Guidelines

Under our stock ownership guidelines the CEO is required to maintain beneficial ownership over time of at least six times his cash salary. Other named executives are expected to maintain beneficial ownership levels over time of three times their cash salaries. For this purpose, fully-owned shares, restricted stock, and shares held in tax-deferred plans are counted, but stock options are not counted. If sufficient shares are not owned to satisfy the ownership guideline, 75% of the net after-tax shares received from our stock incentive plans must be retained until the target ownership level is achieved. If the target ownership level is achieved, the guidelines require executives to continue to hold 50% of the net after-tax shares received from our stock plans for the balance of their careers with the company and until the first trading window period following termination of employment. Nevertheless, executives who reach age 55 generally are permitted to sell shares held at least three years to diversify their portfolio in preparation for retirement.

For guideline purposes, compliance is assessed annually based on an average stock price measured in the third quarter. In 2011 the price at that time had declined significantly from the same period in 2010, and several executives (not including our CEO) fell below the guideline levels as a result. Accordingly, they will be subject to the guidelines enhanced (75%) retention rules until the appropriate ownership levels are restored. We intend for the combined emphasis on corporate performance in setting executive compensation and meaningful stock ownership to strongly link the interests of our executives with those of our shareholders.

Deferral Plans and Programs

For many years we have offered many employees and directors the means to manage the personal tax obligations associated with their compensation from the company through various nonqualified deferral plans and programs. Personal tax management is our primary objective in providing this benefit. An important secondary objective is to encourage our senior personnel to save for retirement. We also provide this benefit in order to remain competitive in retaining talent and recruiting new talent.

During 2011, the types of compensation that could be deferred included cash salary and the cash portion of the annual MIP bonus. Amounts deferred earned at-market returns indexed to the performance of certain mutual funds selected by the participant.

Other Compensation

Broad-Based Plans and Programs (Other than Retirement)

We provide a broad-based welfare benefit package in line with competitors. This allows all employees to receive certain benefits, such as healthcare coverage, that are not readily available to individuals except through their employer and allows employees to receive these benefits on a pre-tax basis.

Other Benefits and Perquisites

We also provide additional benefits in line with those offered to other executives in our industry to remain competitive in retaining talent and attracting new talent to join us. The following additional benefits are provided executives, including the NEOs:

Survivor Benefit Plan This plan provides a benefit of 2.5 times base salary if death occurs during active service, which is reduced to 1.0

times salary spread over a 10-year period if death occurs following departure due to disability or early or normal retirement. This benefit is provided to about 500 employees, including all NEOs, based on job grade. It is provided as an alternative to the plan available to all employees due to the caps in the insurance coverage available under the broad-based plan.

Executive disability program Our regular disability plan for all employees in the company provides up to 60% of monthly base salary as income replacement The executive program benefit is capped at $25,000 per month, with an optional additional benefit of up to $5,000 per month that can be purchased by the executive.

Perquisites Our goal is to offer perquisites that are customary (and therefore necessary to remain competitive) and, in some cases, that relate to executives business duties. Details of executive perquisites are discussed beginning on page 59 of this proxy statement in footnote (i) to the Summary Compensation Table.

Retirement Benefits

We provide retirement plan benefits, discussed in this section below, that we believe are customary in our industry. We provide them to remain competitive in retaining talent and attracting new talent to join us.

401(k) Savings Plan

We provide all qualifying full-time employees with the opportunity to participate in our tax-qualified 401(k) savings plan. The plan allows employees to defer receipt of earned salary, up to tax law limits, on a tax-advantaged basis. Accounts may be invested in a wide range of mutual funds and in our common stock. Up to tax law limits, we provide a 50% match for the first 6% of salary each participant with at least one year of service elects to defer into the plan. Matched contributions are initially invested in company stock, but can be re-invested in other available investment options and mutual funds at the participant s election.

Our 401(k) plan was established many years ago. The match is scheduled to increase to 100% beginning in 2013 when benefits under our pension plans will be frozen. We do not offer a so-called 401(k) restoration plan, which would allow participants to continue to participate in the plan beyond the tax law limits on a non-qualified basis. However, we expect to offer a restoration benefit in 2013 when our pension plans become frozen.

Pension Plan

Our Pension Plan is a traditional broad-based pension plan that provides for a defined benefit to be paid to eligible employees upon retirement. The plan has been closed so that employees hired after August 31, 2007 (including Mr. Losch) are not eligible to participate. The benefit is based upon a participant s average base salary for the highest 60 consecutive months of the last 120 months of service, years of credited service, and social security benefits (under an offset formula). Benefits are normally payable in monthly installments after age 65. Tax laws limit the qualifying salary that can be used, and thus the benefit that can be paid, under the Pension Plan to a dollar amount that is adjusted each year for inflation. The formula works in a traditional manner so that longevity with the company is rewarded. Benefits under the plan will be frozen effective December 31, 2012.

Pension Restoration Plan

Our Pension Plan is subject to certain dollar limitations on qualifying compensation and benefits imposed by the tax laws. Our pension restoration plan provides a restorative benefit to all of the executive officers who participate in the Pension Plan, including all participating NEOs, and other employees approved by the CEO on a case by case basis so that the combined pension and restoration benefit is calculated as if those tax limitations did not exist. The pension and pension restoration plans thus generally operate as a single plan in terms of defining the pension benefit payable to executives. This plan is provided in response to the IRS caps on qualified pension plan benefits. Benefits under the plan will be frozen effective December 31, 2012.

Other Post-Employment Benefits

Change in Control (CIC) Benefits Generally

Over the past 25 years the financial services industry has experienced an extraordinary period of consolidation as old legal barriers, which prevented multi-state banking and restricted the business lines in which bank holding companies could engage, were relaxed or eliminated. Although the current legal environment has created substantial business opportunities for us and others, it has also created substantial personal uncertainties for executive officers and employees at all levels. Our CIC severance agreements and CIC plan features were first put in place a number of years ago in response to these uncertainties.

Our CIC potential costs are reviewed annually, and our CIC program is reviewed roughly every three years. The program was reviewed in 2005, 2006, 2007 and 2008 during which several substantive agreement provisions and plan features were altered, including the elimination of excise tax gross-ups in future CIC agreements starting in 2009. Although costs were reviewed, program reviews did not occur during 2009 and 2010 when preferred shares were issued to the U.S. Treasury under the TARP program and remained outstanding.

Change in Control Severance Agreements

We have CIC severance agreements with our active executive officers with the exception of Mr. Kisber. These are not employment agreements. The CIC severance agreements provide significant benefits if employment is terminated in connection with a CIC event. Additional information about these contracts is provided under the caption Change in Control Severance Agreements in the Change in Control section beginning on page 73 of this proxy statement.

The primary objectives of our severance agreements are to allow us to compete for executive talent during normal times and, if a CIC situation were to arise, to provide an incentive for our executive team to remain with the company, focused on corporate objectives, during the pursuit, closing, and transition periods that accompany CIC transactions in our industry.

Change in Control Features Under Other Plans and Programs

Under many of our plans and programs, a CIC event will cause benefits to vest, be paid, or be calculated and paid at target or maximum levels. The main objective of these features is to allow us to offer competitive compensation packages so as to attract and retain top talent in an industry where consolidation continues at a robust pace. Our plans provide that awards granted after 2006 have a double-trigger standard, which means that in order for the applicable benefit to be paid a CIC event must occur *and* the officer must be involuntarily terminated without cause or experience a significant job reduction.

Those plans and programs that have CIC features typically provide for the acceleration of vesting or payment of an award when a CIC event occurs resulting in termination of employment. Performance awards generally are paid on the assumption that performance would have occurred at target since the performance period cannot be completed as planned. In addition to the objectives for the CIC provisions stated above, we believe these special CIC outcomes are appropriate for these awards because: (i) it is unfair for the executive to give up stock-based awards when all shareholders are receiving the benefit of the CIC transaction in relation to their stock holdings; (ii) it is unfair for the executive to forfeit awards based on service when he or she has provided the company with those services that were needed but are not any longer; and (iii) in most cases there will be no fair way to honor our commitment to pay awards based on company performance because there will be no appropriate way to measure our performance when the performance period ends.

Special Retirement and Severance Agreements

On selective occasions, the Compensation Committee will approve special retirement or severance arrangements with departing executive officers. Our executives do not have employment agreements, and we have no obligation to provide anyone with a special retirement or severance arrangement. When such an agreement or arrangement is provided, the terms vary with the circumstances. We believe such an arrangement can be a useful tool in those situations where a non-competition covenant or other legal restriction is desirable, or in recognition of long and valued service to the company, or to provide an incentive related to a transitional situation, and we intend to consider using them in the future in those situations that are appropriate.

Special Retirement Agreement with Mr. Burkett

In April, 2011, the company and Mr. Burkett entered into a retirement agreement. Under the agreement Mr. Burkett agreed to step down as the head of our banking business and as an executive officer effective June 30, 2011. He retired completely effective December 31, 2011 after serving in a transitional role for the balance of the year. Additional information concerning the terms of Mr. Burkett s agreement is provided under the heading Special Retirement Agreement with Mr. Burkett beginning on page 72 of this proxy statement.

Deductibility of Compensation for Tax Purposes

Section 162(m) of the Internal Revenue Code of 1986, as amended (Tax Code), generally disallows a tax deduction to public companies for compensation exceeding $1 million paid during the year to the CEO and the three other highest-paid executive officers at year-end (excluding the Chief Financial Officer). Certain performance-based compensation is not, however, subject to the deduction limit. The Committee considered these tax implications in rendering its compensation decisions. The impact of this rule was not material to the company in 2011.

Use of Compensation Consultants

McLagan was first engaged by the Chief Human Resources Officer in 2010 due to its outstanding reputation and extensive experience in the banking industry, and the relationship continued in 2011. The Chief Human Resources Officer has responsibility for initiating or terminating their contract. McLagan serves as a consultant to management on all incentive and executive compensation matters, even though the Committee has engaged its own consultant to review all incentive and executive compensation matters, as discussed below. McLagan analyzed our Peer Banks group and recommended additions and deletions of companies based primarily on asset size and business similarities. In addition to competitive market analyses, McLagan presented to management emerging best practices in the areas of pay mix, annual, mid-term and long-term incentives; provided insight on performance metrics used by Peer Banks; and recommended changes for 2012 that included changes to the type and mix of executive equity-based awards, performance metrics, and target award levels.

In 2011, the Compensation Committee continued to engage a separate, independent consulting firm, Frederic W. Cook & Co. (Cook), to provide analysis and advice on all executive compensation-related matters (including assessment of peer groups, competitive market data, pay mix, and compensation design). Among other things, Cook assists the Committee in its reviews of compensation program actions recommended by management. Cook has no other relationships with the Corporation or management. Key engagement items for Cook in 2011 were:

In advance of Committee meetings, review and comment upon written meeting materials.

Participate in key pre-meeting conferences with management and the Committee chairman on compensation matters.

At least once during the year meet with the Committee in executive session.

At least once during the

year provide the Committee with a report on industry, legislative, and other important trends affecting our compensation programs.

During the year, Cook provided the Committee and management with updates on emerging market trends and executive compensation developments. In addition, Cook provided perspective on management s recommendations related to the mix of equity vehicles for non-executive management programs and the design and performance metrics of the executive program.

Additional information concerning our use of compensation consultants appears under the caption The Compensation Committee beginning on page 14 of this proxy statement.

Role of Management in Compensation Decisions

Management administers our compensation plans, monitors the compensation programs used by other companies, and considers whether new or amended compensation programs are needed to maintain the competitiveness of our company to attract and retain key employees. Recommendations are presented by management to the Committee for review, discussion, and approval. The CEO ultimately oversees the development of these management recommendations. If executive-level exceptions are appropriate, such as approval of an executive s early retirement, management generally reviews the facts of the situation and provides a recommendation to the CEO and, ultimately, to the Committee for approval; prior to 2012, such recommendations also were made to the Chairman of the Board.

Compensation Committee Report

The Compensation Committee Report is located on page 16 of this proxy statement under the caption The Compensation Committee.

Recent Compensation

Summary Compensation Table

The Summary Compensation Table which appears below provides compensation information about the following persons: Mr. Jordan, who served as our Chief Executive Officer, or CEO, during the periods presented; Mr. Losch, who served as our Chief Financial Officer, or CFO; Messrs. Kisber, Popwell, and Tuggle, who were our three most highly compensated executive officers at year-end 2011 other than Mr. Jordan and Mr. Losch; and Mr. Burkett, who would have been one of the three most highly compensated executives at year-end 2011 except that he retired from that role on June 30, 2011. All of the named executive officers were officers of both First Horizon and the Bank.

Executive compensation for 2011 was focused significantly on First Horizon s financial and strategic performance. Strong performance in 2011 yielded significant increases in net income available to common shareholders, pre-tax income in the core business segments and diluted earnings per share. Credit quality and related costs continued to improve, and the Company strategically managed capital in 2011 through a share re