

FIRST HORIZON NATIONAL CORP
Form DEF 14A
March 20, 2013

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.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its

Edgar Filing: FIRST HORIZON NATIONAL CORP - Form DEF 14A

filing.

- 1) Amount previously paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:

*Set forth the amount on which the filing fee is calculated and state how it was determined.

March 20, 2013

Dear Shareholders:

You are cordially invited to attend First Horizon National Corporation's 2013 annual meeting of shareholders. We will hold the meeting on May 2, 2013 in the Auditorium, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee, at 10:00 a.m. local time. Accompanying this letter are the formal notice of the annual meeting, our 2013 proxy statement and our annual report to shareholders, which contains detailed financial information relating to our activities and operating performance during 2012. Though it is being delivered to you with our proxy statement, the annual report to shareholders is not deemed to be soliciting material under SEC Regulation 14A.

At the meeting, we will ask you to elect eleven directors; 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 2013. The accompanying proxy statement contains information about these matters.

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

Sincerely yours,

D. BRYAN JORDAN
Chairman of the Board,
President and Chief Executive Officer

FIRST HORIZON NATIONAL CORPORATION

**165 Madison Avenue
Memphis, Tennessee 38103**

NOTICE OF ANNUAL SHAREHOLDERS MEETING

May 2, 2013

The annual meeting of shareholders of First Horizon National Corporation will be held on May 2, 2013, 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 2014 annual meeting of shareholders or until their successors are duly elected and qualified.
- (2) Vote on an advisory resolution to approve executive compensation.
- (3) 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 March 1, 2013 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 or that you sign and return the form of proxy promptly, as applicable, so that if you are unable to attend the meeting your shares can nevertheless be voted. You may revoke a proxy at any time before it is exercised at the annual meeting in the manner described on page 1 of the proxy statement.

CLYDE A. BILLINGS, JR.

Senior Vice President,
Assistant General Counsel
and Corporate Secretary
Memphis, Tennessee
March 20, 2013

IMPORTANT NOTICE

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

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

**PROXY STATEMENT
FIRST HORIZON NATIONAL CORPORATION
TABLE OF CONTENTS**

	Page
<u>General Matters</u>	1
<u>Corporate Governance and Board Matters</u>	4
<u>Introduction</u>	4
<u>Independence and Categorical Standards</u>	5
<u>Board Leadership Structure and Role in Risk Oversight</u>	8
<u>Composition of Board Committees</u>	9
<u>The Executive & Risk Committee</u>	10
<u>The Audit Committee</u>	10
<i><u>In General</u></i>	10
<i><u>Audit Committee Financial Expert</u></i>	11
<i><u>Audit Committee Report</u></i>	11
<u>The Nominating & Corporate Governance Committee</u>	13
<i><u>In General</u></i>	13
<i><u>Nominations of Directors; Consideration of Diversity in Identifying Director Nominees</u></i>	13
<i><u>Shareholder Recommendations of Director Nominees</u></i>	13
<u>The Compensation Committee</u>	14
<i><u>In General</u></i>	14
<i><u>Processes and Procedures Regarding Executive and Director Compensation</u></i>	14
<i><u>Compensation Committee Report</u></i>	17
<u>Compensation Committee Interlocks and Insider Participation</u>	17
<u>Board and Committee Meeting Attendance</u>	17
<u>Executive Sessions</u>	17
<u>Communication with the Board of Directors</u>	17
<u>Procedures for the Approval, Monitoring, and Ratification of Related Party Transactions</u>	18
<u>Transactions with Related Persons</u>	18
<u>Stock Ownership Information</u>	19
<u>Security Ownership of Certain Beneficial Owners</u>	19
<u>Security Ownership of Management</u>	20
<u>Vote Item No. 1 Election of Directors</u>	21
<u>Vote Item No. 2 Advisory Resolution to Approve Executive Compensation</u>	24
<u>Vote Item No. 3 Ratification of Appointment of Auditors</u>	27
<u>Other Matters</u>	28
<u>Shareholder Proposal and Nomination Deadlines</u>	28
<u>Executive Compensation</u>	29
<u>Compensation Discussion and Analysis</u>	29
<u>Recent Compensation</u>	46

<u>Summary Compensation Table</u>	46
<u>Grants of Plan-Based Awards</u>	51
<u>Outstanding Equity Awards at Fiscal Year-End</u>	55
<u>Option Exercises and Stock Vested</u>	58
<u>Post-Employment Compensation</u>	60
<u>Pension Plans</u>	60
<u>Nonqualified Defined Contribution and Other Deferred Compensation Plans</u>	62
<u>Employment Contracts, Termination of Employment and Change in Control Arrangements, and Benefits under Them</u>	63
<u>Director Compensation</u>	67
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	77
<u>Availability of Annual Report on Form 10-K</u>	77
<u>APPENDIX</u>	
<u>A. Audit Committee Charter</u>	A-1
<u>B. Compensation Committee Charter</u>	B-1

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

GENERAL MATTERS

The Board of Directors is soliciting proxies to be used at our annual meeting of shareholders to be held on May 2, 2013 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 Community Relations 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. In this proxy statement, we refer to the notice of the 2013 annual meeting of shareholders, this proxy statement, our annual report to shareholders for the year ended December 31, 2012, and the proxy card as our proxy materials. Though the annual report to shareholders is included in the term proxy materials, it is not deemed to be soliciting material under SEC Regulation 14A.

Internet Availability of Proxy Materials. This year for the first time, we are using the SEC's notice and access rule, which allows us to furnish our proxy materials over the internet to our shareholders instead of mailing paper copies of those materials to each shareholder. As a result, beginning on or about March 20, 2013, we sent to most of our shareholders by mail or e-mail a notice of internet availability of proxy materials, which contains instructions on how to access our proxy materials over the internet and vote online. This notice is not a proxy card and cannot be used to vote your shares. If you received only a notice, you will not receive paper copies of the proxy materials unless you request the materials by following the instructions on the notice.

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

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

Voting by Proxy; Revocation of Proxy. The First Horizon Board of Directors is asking you to give us your proxy. Giving us your proxy means that you authorize another person or persons to vote your shares of our common stock at the annual meeting of shareholders in the manner you direct. Giving us your proxy allows your shares to be voted even if you will be unable to attend the annual meeting in person. You may revoke your proxy at any time before it is exercised by writing to the Corporate Secretary, by timely delivering a properly executed, later-dated proxy (including by telephone or internet) or by voting by ballot at the meeting. All shares represented by valid proxies received pursuant to this solicitation, and not revoked before they are exercised, will be voted in the manner specified 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
2014 annual
meeting of
shareholders
or until their
successors are
duly elected
and qualified.

2. Approval of
an advisory
resolution to
approve
executive
compensation
(say on pay).
3. Ratification of
the
appointment
of auditors.

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

which they will receive no compensation in addition to their normal compensation. We have hired Morrow & Co., LLC, 470 West Ave., Stamford, CT 06902 to aid us in the solicitation of proxies for a fee of \$7,500 plus out-of-pocket expenses. An additional charge of \$5.50 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 241,821,248 shares of common stock outstanding and entitled to vote as of March 1, 2013, 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.) The affirmative vote of a majority of the votes cast is required 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 or bank how to vote if you want your vote to count in the election of directors and the advisory resolution to approve executive compensation (Vote Item Nos. 1 and 2 of this proxy statement). Under current regulations, your broker or bank will not have the ability to vote your uninstructed shares in these matters on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your broker or bank how to vote, no votes will be cast on your behalf with respect to these matters. Your broker or bank will have the ability to vote uninstructed shares on the ratification of the appointment of auditors (Vote Item No. 3).

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 inconvenient for you and an unnecessary expenditure for us. 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.

SEC rules allow us to mail a single copy of the notice of internet availability of proxy materials, annual report to shareholders, and proxy statement to all shareholders residing at the same address if certain conditions are met. This practice is referred to as *householding*. If your household receives only one copy of the proxy materials and if you wish to start receiving separate copies in your name, apart from others in your household, you must request that action by contacting our Stock Transfer Agent, Wells Fargo Bank, N.A., by phone toll-free at 1-877-602-7615 or by writing to it at Shareowner Services, Attn: Householding, P.O. Box 64854, St. Paul, MN 55164-0854. That request must be made by each person in the household who desires a separate copy. Within 30 days after your request is received we will start sending you separate mailings. If 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 you are among the shareholders who receive paper copies of our proxy materials and your household receives only a single copy, and if you desire your own separate copies for the 2013 annual meeting, you may pick up copies in person at the meeting in May or download them from our website using the website address listed in the box below. If you would like additional copies mailed, we will mail them promptly if you request them from our Investor Relations department at our website, by phone toll-free at 1-800-410-4577, or by mail to Investor Relations, P.O. Box 84, Memphis, TN 38101. However, we cannot guarantee you will receive mailed copies before the 2013 annual meeting.

**Important Notice Regarding the Availability of Proxy Materials
for the Shareholder Meeting to Be Held on May 2, 2013.**

This proxy statement is available at <http://ir.fhnc.com/annual-proxy.cfm>.

The following additional materials will also be 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. Some of our corporate governance principles, policies and practices are highlighted below.

Corporate Governance Highlights

Annual director elections

Directors elected by a majority of the votes cast in uncontested elections (plurality vote in contested elections)

Director resignation policy for directors who do not receive the affirmative vote of a majority of the votes cast

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

Audit, Compensation and Nominating & Corporate Governance Committees consist solely of

independent
directors.

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

All directors
serve on three
or fewer public
company
boards (other
than First
Horizon); nine
of eleven
directors serve
on one or no
other public
company
boards.

Stock
ownership
guidelines
require
non-employee
directors to own
three times their
annual (cash
and equity)
retainer in First
Horizon stock
(increased from
two times in
2012); after this
guideline is
reached, 50%
of the net
shares received
as a taxable
distribution
from the
company's stock

plans must be retained until after retirement.

Average attendance at Board and committee meetings exceeded 94 percent in 2012.

Sustainability statement available on our website at www.fhnc.com under the Corporate Governance heading in the Community area

Annual individual director performance evaluations

Our Corporate Governance Guidelines, which were initially adopted by our Board of Directors in 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. The Corporation 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 the Corporation's website. We have also adopted a policy 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 2012. In response to shareholder concerns, we adopted a sustainability statement that highlights some of our sustainability practices, and we responded to the 2012 Carbon Disclosure Project, a carbon emissions survey. Our sustainability statement is available on our website at www.fhnc.com under the Sustainability heading in the Community area. In keeping with the company's efficiency and sustainability efforts, the Board made changes to facilitate the company's use of the SEC's notice and access rule, which allows us to furnish our proxy materials to our shareholders over the internet instead of mailing paper copies of those materials. The Board also made refinements to the Board and Committee self-evaluation process and updated the duties of the lead director. Finally, it revised the charters of each of the Audit Committee, the Compensation Committee and the Executive & Risk Committee to clarify the responsibilities of each Committee.

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 eleven members. 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 New York Stock Exchange. The NYSE listing standards require a majority of our directors and all of the members of the Compensation Committee, the Nominating & Corporate Governance Committee and the Audit Committee of the Board of Directors to be independent. 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 all ten of our current non-employee directors (Messrs. Carter, Compton, Emkes, Gilchrist, Martin, Niswonger, Reed, and Yancy and Mmes. Gregg and Palmer) are independent under the NYSE listing standards. Three other individuals, James A. Haslam, III, Michael D.

Rose, and William B. Sansom, served as directors of First Horizon during part of 2012 but have since retired. The Board, upon the recommendation of the Nominating & Corporate Governance Committee, determined that Messrs. Haslam and Sansom are independent. Mr. Rose, our Chairman of the Board until January 1, 2012 and a director until April 17, 2012, was not independent under the NYSE listing standards prior to his retirement because until April 20, 2009, our Bylaws provided that the position of Chairman of the Board was an officer position. However, the Board, upon the recommendation of the Nominating & Corporate Governance Committee, determined that Mr. Rose became independent as of April 20, 2012, three years after he ceased to be an executive officer of First Horizon. 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 except as discussed with respect to Mr. Rose's service as Chairman as described above. Mr. Jordan, as our Chief Executive Officer, is not independent.

The categorical standards established by the Board, which were last revised in 2010, are set forth below and are also available on our website at www.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. Gilchrist); cash management services (Messrs. Carter, Compton, Emkes, Haslam, Martin, Niswonger, Sansom and Yancy and Ms. Gregg); health savings account depository 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. Gilchrist); interest rate swaps (Messrs. Haslam and Martin);

investment
management
(Messrs.
Emkes,
Haslam, Reed,
and Sansom);
broker/dealer
services
(Messrs.
Emkes,
Haslam,
Martin,
Niswonger,
Reed, Rose,
Sansom and
Yancy and Ms.
Palmer);
financial
planning (Mr.
Reed); capital
markets
(Messrs.
Emkes and
Haslam); trust
services
(Messrs.
Emkes,
Haslam,
Martin,
Niswonger,
Reed, Rose
and Sansom
and Ms.
Gregg);
insurance
brokerage
(Messrs.
Emkes,
Haslam,
Niswonger,
Reed, Rose
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, Niswonger and Sansom).

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 print services (Mr. Carter); beverages (Mr. Compton);

fuel and ancillary purchases for business travel by employees of the Corporation (Messrs. Compton and Haslam); hotel lodging for business travel by employees of the Corporation (Messrs. Niswonger and Reed); venues for business development and for holding seminars and other corporate functions (Messrs. Niswonger and 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, Niswonger, Rose, 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; taking any actions he deems necessary or appropriate in connection with the Board and committee 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 and with a separate lead director who is independent under the NYSE listing standards and has the principal duties specified in the Corporate Governance Guidelines, 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 with no members of management present, thereby providing an opportunity for the independent directors to discuss their views freely; the executive sessions of the Board are presided over by the lead director. There were four such executive sessions of the Board during 2012. The Board itself has a high degree of independence, with all ten of the non-employee directors 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 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, retains 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. The Trust Committee is responsible for overseeing the fiduciary activities of the Bank, including risks arising in connection with such activities. The Trust Committee receives reports from Trust Division management regarding the investment and distribution of fiduciary account funds and fiduciary account records. 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, 2012 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
<p>D. Bryan Jordan R. Brad Martin (chair) Scott M. Niswonger¹ Vicki R. Palmer Colin V. Reed²</p>	<p>Robert B. Carter Mark A. Emkes Corydon J. Gilchrist³ Vicky B. Gregg Vicki R. Palmer (chair) Luke Yancy III</p>	<p>John C. Compton Mark A. Emkes R. Brad Martin Colin V. Reed (chair)</p>	<p>Robert B. Carter (chair) John C. Compton Corydon J. Gilchrist³ R. Brad Martin Scott M. Niswonger</p>

1. Mr. Niswonger joined the Executive & Risk Committee as of October 16, 2012.

2. Mr. Reed joined the Executive & Risk Committee and ceased to be a member of the Nominating & Corporate Governance Committee as of April 16, 2012.

3. Mr. Gilchrist became a director on July 16, 2012, and his membership on these committees commenced on that date.

Mr. Yancy also serves as chair of the Trust Committee, a standing committee of the Bank on which Ms. Gregg and Mr. Niswonger also serve. James A. Haslam, III, Michael D. Rose and William B. Sansom also served as directors during a portion of 2012 and served on committees as follows: Mr. Haslam served on the Compensation and Executive & Risk Committees until October 16, 2012; Mr. Rose served on the Executive & Risk Committee until April 16, 2012; and Mr. Sansom served on the Executive & Risk Committee and on the Trust Committee of the Bank until April 16, 2012.

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 October 2012 to clarify the Committee's responsibilities with respect to financial center closings. 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 the 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 8 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 October 2012 primarily to clarify the Committee's role in the appointment and removal of First Horizon's internal auditor. The charter is available on our website at www.fhnc.com under the Corporate Governance heading in the Investor Relations area and is also attached to this proxy statement at Appendix A. 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 served as Chief Executive Officer of BCBST from 2003 until her retirement in 2012. In that position, she had overall responsibility for the financial statements, actively supervising the Chief Financial Officer, who reported to her, and regularly reviewing results and discussing issues relating to the BCBST financial statements with the CFO. During her tenure as CEO, BCBST prepared financial statements in accordance with accounting practices prescribed by state insurance laws and regulations as well as financial statements in conformity with U.S. generally accepted accounting practices, and the BCBST board 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 signed certificates regarding the effectiveness of BCBST's internal controls over financial reporting in accordance with Section 404. In addition, the audit committee, of which Ms. Gregg as CEO was an ex officio member, was accountable for BCBST's internal controls, and the head of BCBST's internal audit division reported to the audit committee and the CFO.

Each of Mesdames Palmer and Gregg 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 2012. 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, 2012. 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