ZIONS BANCORPORATION /UT/
Form PRE 14A
April 02, 2010
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UNITED STATES

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 ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under §240.14a-12

ZIONS BANCORPORATION

(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.

¨ 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 the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

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¨ Fee paid previously with preliminary materials.

¨ 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 filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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April 15, 2010

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Zions Bancorporation. The meeting will be held on Friday, May 28, 2010, at 1:00 p.m., local time, in the Zions Bank Building Founders Room, One South Main Street, 18th Floor, on the corner of South Temple and Main Street in Salt Lake City, Utah.

We are furnishing our proxy materials to you over the Internet as allowed by the rules of the Securities and Exchange Commission. Accordingly, on or about April 16, 2010, you will receive a Notice of Internet Availability of Proxy Materials which will provide instructions on how to access to our proxy statement and annual report online. This is designed to reduce our printing and mailing costs and the environmental impact of our proxy materials. A paper copy of our proxy materials may be requested through one of the methods described in the Notice.

It is important that all shareholders attend or be represented at the meeting. Whether or not you plan to attend the meeting, please promptly submit your proxy over the Internet or by telephone by following the instructions found on your Notice of Internet Availability of Proxy Materials. As an alternative, you may follow the procedures outlined in your Notice of Internet Availability of Proxy Materials to request a paper proxy card to submit your vote by mail. The prompt submission of proxies will save the Company the expense of further requests for proxies, which might otherwise be necessary in order to ensure a quorum.

Shareholders, media representatives, analysts and the public are welcome to listen to the Annual Meeting via a live Webcast accessible at www.zionsbancorporation.com.

Sincerely,

Harris H. Simmons

Chairman, President & Chief Executive Officer

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ZIONS BANCORPORATION

One South Main Street, 15th Floor

Salt Lake City, Utah 84133-1109

NOTICE OF THE 2010 ANNUAL MEETING OF SHAREHOLDERS

Important Notice Regarding the Availability of Proxy Materials for the

Shareholder Meeting to be held on May 28, 2010.

The Proxy Statement and Annual Report are available at www.zionsbancorporation.com/annualreport.

Date: May 28, 2010
Time: 1:00 p.m., local time
Place: Zions Bank Building Founders Room, 18th Floor
One South Main Street, Salt Lake City, Utah 84133
Webcast of the Annual Meeting: You may listen to a live webcast of the Annual Meeting on our Web site at www.zionsbancorporation.com.

Purpose of the Annual Meeting:

1. To elect three (3) directors for one-year terms (Proposal 1).

2. To approve an amendment to our Restated Articles of Incorporation to increase the number of our authorized preferred shares from 3,000,000 preferred shares to 4,400,000 preferred shares and, correspondingly, to increase the aggregate number of shares of our authorized capital stock from 353,000,000 shares to 354,400,000 shares (Proposal 2).

3. To ratify the appointment of our independent registered public accounting firm for our fiscal year ending December 31, 2010 (Proposal 3).

4. To approve, on a nonbinding advisory basis, the compensation paid to our executive officers with respect to the fiscal year ended December 31, 2009 (Proposal 4).

5. To vote on a shareholder proposal that we adopt an amendment to our employment policy to prohibit discrimination on the basis of sexual orientation and gender identity (Proposal 5).

6. To vote on a shareholder proposal that we adopt a policy to separate the positions of Chair of our Board of Directors and Chief Executive Officer, and to require that the Chair be an independent director (Proposal 6).

7. To vote on a shareholder proposal that the annual compensation paid to our named executive officers be approved, on a nonbinding advisory basis, at each annual meeting of the Company s shareholders (Proposal 7).

Record Date: Only shareholders of record on March 24, 2010 are entitled to notice of, and to vote at, the Annual Meeting.

Admission to the Meeting: Space at the location of the Annual Meeting is limited, and admission will be on a first-come, first-served basis. Before admission to the Annual Meeting, you may be asked to present valid picture identification, such as a driver s license or passport. If you hold your shares in the name of a brokerage, bank, trust or other nominee as a custodian (street name holders), you will need to bring a copy of a brokerage statement reflecting your share ownership as of the record date. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting.

By order of the Board of Directors

Thomas E. Laursen

Corporate Secretary

Salt Lake City, Utah

April 15, 2010

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ZIONS BANCORPORATION

One South Main Street, 15th Floor

Salt Lake City, Utah 84133-1109

PROXY STATEMENT

SOLICITATION AND VOTING INFORMATION

Your proxy is solicited by the Board of Directors of Zions Bancorporation (referred to as Zions, we, our, us, or the Company) for use at the Annual Meeting of our shareholders to be held in the Zions Bank Building Founders Room, One South Main Street, 18th Floor, on the corner of South Temple and Main Street in Salt Lake City, Utah, on Friday, May 28, 2010, at 1:00 p.m. local time.

Pursuant to the rules and regulations adopted by the Securities and Exchange Commission, we have elected to provide our shareholders with access to our proxy materials over the Internet rather than in paper form. Accordingly, on or about April 16, 2010, we will send a Notice of Internet Availability of Proxy Materials, rather than a printed copy of the proxy materials, to our shareholders of record as of March 24, 2010, the record date for the Annual Meeting (the Record Date).

Your proxy will be voted as you direct. If no contrary direction is given, your proxy will be voted:

- **FOR** the election of the three directors listed below to one-year terms of office (Proposal 1);
- **FOR** approval of an amendment to our Restated Articles of Incorporation to increase the number of its authorized preferred shares from 3,000,000 shares to 4,400,000 shares and, correspondingly, to increase the number of our authorized capital shares from 353,000,000 shares to 354,400,000 shares (Proposal 2);
- **FOR** ratification of our independent registered public accounting firm for fiscal 2010 (Proposal 3);
- **FOR** approval, on a nonbinding advisory basis, of the compensation paid to our executive officers named in this Proxy Statement with respect to the fiscal year ended December 31, 2009 (Proposal 4);
- **AGAINST** a shareholder proposal regarding a policy prohibiting employment discrimination based on sexual orientation or gender identity (Proposal 5);
- **AGAINST** a shareholder proposal regarding the separation of the Chair of our Board of Directors and our Chief Executive Officer and a requirement that our Board Chair be an independent director (Proposal 6); and
- **AGAINST** a shareholder proposal regarding an annual advisory (nonbinding) vote on the compensation of our named executive officers (Proposal 7).

You may revoke your proxy at any time before it is voted at the Annual Meeting by giving written notice to our Corporate Secretary, or by submitting a later dated proxy through the mail, Internet or telephone (in which case the later submitted proxy will be recorded and the earlier proxy revoked), or by voting in person at the Annual Meeting.

The only shares that may be voted at the Annual Meeting are the 158,136,657 common shares outstanding at the close of business on the Record Date. Each share is entitled to one vote.

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On all matters other than the election of directors, the action will be approved if the number of shares validly voted in favor of the action exceeds the number of shares validly voted against the action. Each nominee for director will be elected if he or she receives a plurality of the votes cast; however, if any nominee does not receive the affirmative vote of a majority of the votes validly cast, he or she will be elected to a 90-day term of office. In order for any of the matters to be acted on at the meeting, a quorum of our shares must be present or represented by proxy at the meeting. A quorum of our shares is a majority of the shares entitled to vote on the Record Date, or 79,068,329 shares. In order for a shareholder proposal to be acted on at the meeting, the proposal will need to be presented at the Annual Meeting by a shareholder proponent.

If you validly submit a proxy solicited by the Board of Directors, or the Board, the shares represented by the proxy will be voted on the proposals in the manner you specify. If you do not specify the manner in which the shares are to be voted on a proposal, the shares will be counted **FOR** the proposal in the case of Proposals 1 through 4, and **AGAINST** in the case of Proposals 5 through 7.

If you submit your proxy but indicate that you want to **ABSTAIN** with respect to any proposal, your shares will be counted for purposes of whether a quorum exists. An abstention will have no effect on the outcome of any proposal.

Please note that this year the New York Stock Exchange, or NYSE, rules regarding how brokers may vote your shares have changed. Because the changes apply to all brokers registered with the NYSE, this change will affect all public companies whether the companies are listed on the NYSE or on another exchange. Under the new rules, brokers that have not received voting instructions from their customers ten days prior to the Annual Meeting date may vote their customers shares in the brokers discretion on the proposals regarding the non-binding shareholder resolution to approve executive compensation (Proposal 3) and the ratification of the appointment of independent auditors (Proposal 4) because these are considered discretionary under NYSE rules. If your broker is an affiliate of the Company, NYSE policy specifies that, in the absence of your specific voting instructions, your shares may only be voted in the same proportion as all other shares are voted with respect to each proposal.

Under NYSE rules, each other proposal is a non-discretionary item, which means that member brokers who have not received instructions from the beneficial owners of the Company s common stock do not have discretion to vote the shares of our common stock held by those beneficial owners on any of those proposals. This means that brokers may no longer vote your shares in the election of directors unless you provide specific instructions as to how to vote. We encourage you to provide instructions to your broker regarding the voting of your shares. NYSE rules were amended this year so that the election of directors is now a non-discretionary matter. Shareholder proposals continue to be non-discretionary matters under the NYSE rules.

We will bear the cost of soliciting proxies. We will reimburse brokers and others who incur costs to send proxy materials to beneficial owners of shares held in a broker or nominee name. Our directors, officers and employees may solicit proxies in person or by mail or telephone, but they will receive no extra compensation for doing so.

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OUR BOARD OF DIRECTORS

Our Board consists of ten members. The term of office for three of our directors expires in 2010, and the remaining seven members of our Board serve under terms that will expire in either 2011 or 2012. Prior to 2010, our directors were elected into different director classes that served overlapping three-year terms. The three director positions that were filled by election in 2007 are, therefore, subject to election at this Annual Meeting. At our 2009 annual meeting, our shareholders approved an amendment to our Restated Articles of Incorporation that eliminated the classified three-year term structure for our Board in favor of one-year terms. We are now phasing in the declassified board term system. Accordingly, the positions of the three directors whose terms expire this year are subject to election at the Annual Meeting for one-year terms under the new one-year term system. The proposal for the election of the three directors to fill the position of those directors whose terms expire in 2010 begins on page [44] of this Proxy Statement.

The names, ages and biographical information for our Board of Directors are set forth below. In order to assist our shareholders in their evaluation of the persons nominated for director under of Proposal 1 (see page [44], below), we have separated the information for the director nominees from the other directors not subject to election at the Annual Meeting.

Director Nominees

Nominees	**Principal Occupation, Directorships of Publicly-Traded Companies During the Past Five Years, and Qualifications, Attributes and Skills**
Roger B. Porter Age 63 Director since 1993	Dr. Porter serves as the IBM Professor of Business and Government at Harvard University, Cambridge, Massachusetts, and as a director of Extra Space Storage, Inc., Packaging Corporation of America, Pactiv Corporation and Tenneco Inc.
Present term expires 2010	Dr. Porter benefits the Board with his broad knowledge of business-government relations and economics. He has served for more than a decade in senior economic policy positions in the White House, most recently as Assistant to the President for Economic and Domestic Policy from 1989 to 1993. He also served as Director of the White House Office of Policy Development in the Reagan Administration and as Executive Secretary of the President s Economic Policy Board during the Ford Administration. He is the author of several books on economic policy. Dr. Porter has also gained extensive financial and risk management expertise through his service on the audit committees of the Company and other companies.
L. E. Simmons Age 63 Director since 1978	Mr. Simmons is the founder and President of SCF Partners, a private equity firm managing a portfolio of energy service companies. Based in Houston, Texas, the firm also has offices in Calgary, Alberta and Aberdeen, Scotland. Mr. Simmons is also a director of Continental Airlines, Inc.
Present term expires 2010	Mr. Simmons brings extensive finance, investment, and mergers and acquisition experience to the Board. Over the past 19 years, SCF has been involved in nearly 200 acquisitions. Prior to founding SCF, Mr. Simmons co-founded Simmons & Company International, the world s leading investment banking firm to oilfield service companies. He also helped to create the corporate finance department at The First National Bank of Chicago. Mr. Simmons also benefits the Board through his broad knowledge of the Texas market. Mr. Simmons is the brother of Harris Simmons, our Chairman and CEO.

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Nominees	Principal Occupation, Directorships of Publicly-Traded Companies During the Past Five Years, and Qualifications, Attributes and Skills
Steven C. Wheelwright Age 66 Director since 2004 Present term expires 2010	Dr. Wheelwright is president of Brigham Young University-Hawaii in Laie, Hawaii and the Edsel Bryant Ford Professor of Management Emeritus at Harvard Business School (HBS). He served as assistant to the president of Brigham Young University-Idaho from 2006 2007, and as the Baker Foundation Professor and Senior Associate Dean, Director of Publication Activities at HBS from 2003 2006. Dr. Wheelwright s breadth of knowledge of business strategy, particularly in the areas of technology and operations, is a great asset to the Board. From 1995 1999, he served as Senior Associate Dean, where he was responsible for the M.B.A. program at HBS. He has taught in a number of HBS Executive Education Programs. Prior to his service at HBS, he served at Stanford University s Graduate School of Business, where he directed the strategic management program and was instrumental in initiating the manufacturing strategy program. In addition to his Harvard and Stanford positions, Professor Wheelwright served on the faculty of INSEAD (European Institute of Management) in Fontainebleau, France. He has consulted in the areas of business/operations strategy and improving product development capabilities, and is the author or co-author of more than a dozen books.

Directors with Unexpired Terms of Office

Directors	Principal Occupation, Directorships of Publicly-Traded Companies During the Past Five Years, and Qualifications, Attributes and Skills
Jerry C. Atkin Age 61 Director since 1993 Present term expires 2011	Mr. Atkin is Chairman, President and Chief Executive Officer of SkyWest, Inc., based in St. George, Utah. Mr. Atkin brings his skills as the head of a publicly traded company and accounting background to our Board. At SkyWest, he led the company s growth from annual revenue of less than $1 million to more than $1 billion. Prior to becoming CEO of SkyWest, Mr. Atkins was its chief financial officer.
Stephen D. Quinn Age 54 Director since 2002 Present term expires 2011	Mr. Quinn is a former managing director and general partner of Goldman, Sachs & Co. in New York, New York. He is a director of Group 1 Automotive, Inc. and was a director of American Express Bank Ltd. prior to its sale in 2009. Mr. Quinn contributes financial and investment banking expertise to the Board. At Goldman Sachs, he specialized in corporate finance, spending more than two decades structuring mergers and acquisitions, debt and equity financings and other transactions for some of America s best-known corporations. Mr. Quinn chairs our Audit Committee. At Group 1 Automotive, he currently chairs the Finance and Risk Management Committee and is a member of the audit and nominating and governance committees. He has also served as Group 1 Automotive s lead director. At American Express Bank Ltd., Mr. Quinn chaired the Risk Committee and served as a member of its audit committee.

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Directors	Principal Occupation, Directorships of Publicly-Traded Companies During the Past Five Years, and Qualifications, Attributes and Skills
Shelley Thomas Williams Age 58 Director since 1998 Present term expires 2011	Ms. Williams is a public affairs/communications consultant based in Sun Valley, Idaho and a director of The Regence Group. Ms. Williams wide-ranging experience in media and public relations has been a tremendous resource to the Board. She was senior director of communications for the Huntsman Cancer Institute at the University of Utah, a senior vice president for the Olympic Winter Games of 2002, and vice president for public affairs of Smith s Food & Drug Centers, Inc., now part of Kroger Corporation. Before that, she was a reporter and anchor at KSL-TV in Salt Lake City, receiving an Emmy, the National Press Club Consumer Journalism Award, and the G. Allen Award from the National Chapter of Women in Broadcasting. She was a Trustee of the University of Utah from 1991 2001 and is a member of the International Women s Forum.
R. D. Cash Age 67 Director since 1989 Present term expires 2012	Mr. Cash is a former chairman, president and chief executive officer of Questar Corporation, headquartered in Salt Lake City, Utah, and a director of Questar Corporation, Questar Market Resources, Associated Electric and Gas Insurance Services Limited and National Fuel Gas Company. Mr. Cash s experience in running a large, publicly traded company and energy expertise is a great asset to the Board. He has served as director of our subsidiary Zions First National Bank and the Federal Reserve Bank of San Francisco (Salt Lake City Branch). Mr. Cash benefits the Board through his broad knowledge of the Utah and Texas markets. He is also a former director of TODCO, and Energen Corp., a public company listed on the New York Stock Exchange, and is the chairman of the Texas Tech University Foundation and director of the Ranching Heritage Association.
Patricia Frobes Age 63 Director since 2003 Present term expires 2012	Ms. Frobes formerly served as Group Senior Vice President for Legal Affairs and Risk Management and General Counsel at The Irvine Company in Newport Beach, California. Ms. Frobes brings an in-depth real estate and legal background, as well as broad knowledge of the California market, to the Board. Prior to joining The Irvine Company, she was a partner and vice chair at O Melveny & Myers LLC, where she specialized in real estate development and financing matters. She is a member of the American College of Real Estate Lawyers; a past chair of the California State Bar, Real Property Section executive committee; and past co-chair of the California State Bar, joint committee on Reform of Anti-Deficiency Laws.
J. David Heaney Age 61 Director since 2005 Present term expires 2012	Mr. Heaney is chairman of Heaney Rosenthal Inc., a Houston, Texas-based financial organization specializing in investment in private companies in various industry sectors, and a director of our Texas subsidiary, Amegy Bank N.A. Mr. Heaney contributes financial and legal expertise, and broad knowledge of the Texas market, to our Board. He was a founding director of Amegy Bancorporation, Inc., which we acquired in December 2005, and also benefits our Board through his knowledge of this important subsidiary. While on Amegy s board, he was a member of Amegy s executive and risk committee and Amegy s compensation committee, and chairman of its audit committee. He has also served as vice president of finance and chief financial officer of Sterling Chemicals, Inc., a New York stock exchange listed company. Mr. Heaney was a partner in the law firm of Bracewell & Patterson (now Bracewell & Giuliani).

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Directors	Principal Occupation, Directorships of Publicly-Traded Companies During the Past Five Years, and Qualifications, Attributes and Skills
Harris H. Simmons Age 55 Director since 1989 Present term expires 2012	Mr. Simmons is Chairman, President and Chief Executive Officer of Zions Bancorporation; Chairman of Zions First National Bank, and a director of Questar Corporation. Mr. Simmons nearly 40 years of experience in banking and leadership of the Company has been invaluable to the Board. During his tenure as our president and then chairman and CEO, we have grown from $3 billion in assets to our present $51 billion in assets. He is past chairman of the American Bankers Association and a member of the Financial Services Roundtable.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Eight of our ten Board members are independent directors, as defined by the rules of the Securities and Exchange Commission, or the SEC, the listing standards of The NASDAQ Stock Market, or NASDAQ, and our Corporate Governance Guidelines. Our full Board held 11 meetings during 2009. In addition, the independent directors met regularly in confidential sessions without the non-independent directors. We refer to such meetings of the independent directors as executive sessions. The chair of the Executive Committee, Roger B. Porter, who is an independent director, served as the Presiding Director at each such executive session. All directors attended at least 75% of the total number of all Board and applicable committee meetings. All Board members also attended last year s annual shareholders meeting. The Board of Directors conducts a periodic self-assessment, and one of our directors attended a RiskMetrics Group accredited director education program in 2009, while another of our directors attended a banking conference sponsored by the Office of the Comptroller of the Currency in 2009. All of our directors are expected to attend the six regularly scheduled meetings of the Board, meetings of committees of which they serve as members, the organizational meeting held in conjunction with our annual shareholders meeting and our annual shareholders meeting.

Our Board has determined that a majority of its directors are independent. Under our Corporate Governance Guidelines, a director will be considered independent only if he or she: (1) is not, and has not been within the previous three years, an officer or employee of the Company or its subsidiaries; (2) is independent under the rules of Nasdaq; and (3) does not have any relationship which, in the opinion of the Board, would interfere with the director s exercise of independent judgment in carrying out the responsibilities of a director. Applying these guidelines, the Board has determined all of our directors to be independent except for Harris H. Simmons, who is the Chief Executive Officer (CEO) of the Company, and L. E. Simmons, who is Harris Simmons brother.

The Board typically invites members of management, including our Vice Chairman and Chief Financial Officer, Chief Investment Officer, Chief Human Resources Officer, General Counsel and our Directors of Internal Audit, Credit Administration, Risk Management, Compliance and Credit Examination to attend Board meetings and/ Board committee meetings (or portions thereof) to provide information relating to their areas of responsibility. Members of management do not attend executive sessions of the Board, except when requested by the Board.

Board Leadership Structure

Our Board considers its governance periodically and believes, at this time, that combining the roles of Chairman and Chief Executive Officer is the most appropriate leadership structure for the Company. In reaching this view, the Board took into consideration several factors. Our Chief Executive Officer, Harris Simmons, has more than 38 years of experience with the Company, including two decades of service as our Chief Executive Officer. His knowledge, experience, and personality allow him to serve ably as both Chairman and CEO. Combining the roles of Chairman and CEO facilitates a single, focused structure to implement the Company s strategic initiatives and business plans.

At the same time, the Board feels that the current governance structure, which includes regular meetings of the non-management directors in executive session and with the Company s external auditors, internal auditors, and other consultants, an active and robust compliance program, and active Board and committee members, provides appropriate oversight of the Company s policies and business, and that separating the Chairman and CEO positions would not strengthen the effectiveness of the Board.

Our Board s membership is strongly independent, with eight of our ten members being independent under NASDAQ and Board standards. Our board s Audit, Executive Compensation, and Nominating and Corporate Governance Committees are composed entirely of independent directors, and all five of our standing committees are chaired by independent directors. Moreover, the Board holds regular executive sessions chaired by a Presiding Director.

Under the Company s Corporate Governance Guidelines, the Chairman of the Executive Committee, an independent director, serves as the Presiding Director. The role of the Presiding Director is to:

- discuss with other directors any concerns they may have about the Company and its performance and relay those concerns, where appropriate, to the full Board;
- be available to be consulted by any of the senior executives of the Company as to any concerns the executive might have;
- consult with our CEO regarding the concerns of directors or senior executives;
- be available to communicate with shareholders;
- preside at executive sessions of the Board;
- help develop and approve Board meeting schedules, agendas and information; and
- if desired, call meetings of our independent directors.

Our Board of Directors has five standing committees:

- the Executive Committee;
- the Audit Committee;
- the Credit Review Committee;
- the Executive Compensation Committee; and
- the Nominating and Corporate Governance Committee.

Members of committees are appointed by the Board following recommendation by the Nominating and Corporate Governance Committee and serve at the pleasure of the Board for such term as the Board determines. All committees other than the Executive Committee have written charters. The written charters are posted on our Web site at www.zionsbancorporation.com and can be accessed by clicking on the Corporate Governance button. Periodically, our General Counsel (with the assistance of outside counsel and other advisors, as appropriate) reviews all committee charters in light of any changes in exchange listing rules, SEC regulations or other evidence of best practices. The results of the review and any recommended changes are discussed with the committees, which review their charters on an annual basis. The full Board then approves the charters, with any revisions it deems appropriate in light of the committees recommendations. Since the date of our proxy statement for our annual meeting in 2009, the charter for the Audit Committee has been amended to clarify that the Audit Committee has authority to take on special responsibilities, and the Executive Compensation Committee s charter has been amended to conform it to new regulations concerning executive compensation that were promulgated in 2009.

The Board appoints one member of each of the committees as the chairperson, with the chair to be rotated periodically. The committee calendars, meetings and meeting agendas are set by the chairperson of the respective committees. As with full Board meetings, the CEO and other members of management are frequently invited to attend various committee meetings (or portions thereof) to provide information relating to their areas of responsibility. Members of management attend executive sessions only on invitation.

The following table provides membership information for each of the Board s standing committees as of the date of this Proxy Statement.

Name	Executive Committee	Audit Committee	Credit Review Committee	Executive Compensation Committee	Nominating and Corporate Governance Committee
Jerry C. Atkin	ü	ü			ü*
R. Don Cash			ü	ü	ü
Patricia Frobes	ü		ü*	ü	
J. David Heaney		ü	ü		
Roger B. Porter	ü*			ü	ü
Stephen D. Quinn	ü	ü*	ü		
Harris H. Simmons	ü				
L. E. Simmons			ü		
Shelley Thomas Williams		ü		ü	
Steven C. Wheelwright	ü			ü*	ü

* Committee Chair

Executive Committee

Our Executive Committee has six members, and reviews projects or proposals that require prompt action on the part of the Company. The Executive Committee is authorized to exercise all powers of the full Board of Directors with respect to such projects or proposals when it is not practical to delay action pending approval by the entire Board. The Executive Committee does not have authority to amend the Restated Articles of Incorporation or Bylaws of the Company, adopt a plan of merger or recommend to shareholders the sale of all or substantially all of the Company s assets. The Executive Committee did not meet in 2009. The Chairman of the Executive Committee is an independent director and serves as the Presiding Director.

Audit Committee

Our Audit Committee has four members, and met 12 times in 2009. Each of the members is independent as defined by our Corporate Governance Guidelines. Information regarding the functions performed by the Audit Committee and its membership is set forth in the Report of the Audit Committee, included in this Proxy Statement. A written charter approved by the Board of Directors governs the Audit Committee. The Board of Directors has determined that each member of the Audit Committee is able to read and understand fundamental financial statements. The Board has also determined that Mr. Jerry C. Atkin is qualified as an audit committee financial expert and that he has accounting or related financial management expertise, in each case in accordance with the rules of the SEC and NASDAQ s listing standards.

Credit Review Committee

Our Credit Review Committee has five members, and met seven times in 2009. The Committee monitors the results of internal credit examinations and reviews our adherence to the policies established by the Board and by management with respect to credit-related issues for all of our subsidiary banks.

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Executive Compensation Committee

Our Executive Compensation Committee has five members, and met eight times in 2009. The Committee is comprised solely of independent directors as defined by our Corporate Governance Guidelines. None of the Committee s members has ever been an officer or employee of the Company, nor has any of them had a relationship that would require disclosure under the Certain Relationships and Related Transactions caption of any of our filings with the SEC during the past three fiscal years.

The purpose of the Executive Compensation Committee is to discharge the Board s responsibilities relating to the evaluation and compensation of our executives and to produce reports and filings, in accordance with the rules and regulations of the SEC, the United States Department of the Treasury, referred to herein as the Treasury Department, and other governmental agencies. More specifically, the duties and responsibilities of the Committee are detailed in the Executive Compensation Committee Charter.

According to its charter, the Executive Compensation Committee has the authority to select, retain, terminate, and approve the fees of experts or consultants, as it deems appropriate, without seeking approval of the Board or management. The manner in which the Executive Compensation Committee oversees and determines the compensation of our CEO and other executive officers is described below under Compensation Discussion and Analysis.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee has four members who met three times in 2009. Each member is independent as defined by our Corporate Governance Guidelines. The Committee, among other things, develops and recommends corporate governance principles applicable to the Company, including those concerning the size and composition of our Board of Directors, reviews potential candidates for membership on the Board of Directors and recommends nominees to the Board of Directors.

In identifying and recommending nominees for positions on the Board, the Committee places primary emphasis on the criteria set forth under Candidates for Board Membership in our Corporate Governance Guidelines, namely:

- personal qualities and characteristics, accomplishments and professional reputation;
- current knowledge and contacts in the communities in which we do business and in our industry or other industries relevant to our business;
- 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, collegial and responsive to the needs of the Company;
- diversity of viewpoints, backgrounds and experience;
- the ability and skill set required to chair committees of the Board; and
- relevant significant experience in public companies.

The Nominating and Corporate Governance Committee does not assign specific weights to these criteria. Its objective is to assemble a Board whose members individually meet the criteria and collectively possess the talents and characteristics necessary to enable the Board to fulfill its responsibilities effectively.

Although the Board does not have a separate policy regarding diversity, it believes it is benefitted by a diversity of viewpoints, backgrounds and experience among its members, as reflected in the criteria for Board membership. Accordingly, diversity is one of the factors considered by the Nominating and Corporate Governance Committee in evaluating individuals for nomination to the Board of Directors.

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The Nominating and Corporate Governance Committee evaluates each nominee based on the nominee s individual merits, taking into account our needs and the composition of the Board. Members of the Committee discuss and evaluate possible candidates in detail and suggest individuals to explore in more depth. Once a candidate is identified whom the Committee wants to seriously consider and move toward nomination, the matter is discussed with the Board. Thereafter, the Chairperson of the Committee enters into a discussion with that nominee.

The Committee also considers nominees recommended by shareholders. The policy adopted by the Committee provides that nominees recommended by shareholders are given appropriate consideration in the same manner as other nominees. Shareholders who wish to submit nominees for director for consideration by the Committee for election at our 2011 Annual Meeting of Shareholders should follow the process set forth in the Company s Bylaws described on page [58] under Shareholder Proposals for 2011 Annual Meeting.

Compensation Committee Interlocks and Insider Participation

None of the members of the Executive Compensation Committee during 2009 or as of the date of this Proxy Statement is or has been an officer or employee of the Company, and no executive officer of the Company served on the compensation committee or board of any company that employed any member of the Company s Executive Compensation Committee or Board.

Corporate Governance

In addition to the elements of corporate governance reflected in our Board structure and responsibilities, we maintain a comprehensive set of corporate governance guidelines and policies. These are adopted and updated by the Board upon the recommendation of the Nominating and Corporate Governance Committee and include the following:

- Corporate Governance Guidelines, which address our Board s structure and responsibilities, including the Board s role in management succession planning and the evaluation and compensation of executive officers;
- the Code of Business Conduct and Ethics, which applies to our senior financial officers, including our principal executive officer, principal financial officer and controller, as well as to all employees;
- a Directors Code of Ethics for members of the Board of Directors;
- a Related Party Transactions Policy, which prohibits transactions between the Company and its directors, executive officers and 5% shareholders without necessary approval and disclosure;
- Stock Ownership and Retention Guidelines, which require our executive officers to hold specified amounts of our common shares;
- an Excessive and Luxury Expenditures Policy, which restricts the incurrence of expenditures deemed to be excessive; and
- a Compensation Clawback Policy, which makes incentive compensation subject to repayment in circumstances specified by the Sarbanes-Oxley Act of 2002, the Emergency Economic Stabilization Act of 2008, or ESSA, the American Recovery and Reinvestment Act of 2009, or ARRA, and regulations promulgated under those laws.

These guidelines and policies are posted on our Web site at www.zionsbancorporation.com, and can be accessed by clicking on Corporate Governance. The Excessive and Luxury Expenditures Policy and the Compensation Clawback Policy were adopted since the date of our proxy statement for our annual meeting in 2009. Information concerning purchases and sales of our equity securities by our executive officers and directors is also available on our Web site.

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Board Involvement in Risk Oversight

Our Board of Directors oversees our overall risk management process, which is designed to ensure that the amounts and types of risk that we undertake are in alignment with the business strategies and policies that we have established to control that risk. Our Board oversees our risk policies and procedures either through actions of the full Board or through the action of the Board s Audit Committee, Credit Review Committee and, more recently, Executive Compensation Committee, and based on information received from various management committees. Based on information from management, the Board approves corporate policies relating to asset liability management, capital management, credit administration, and various other compliance and risk matters. The Audit Committee and Credit Review Committee formally report to the full Board at least quarterly and recommend any actions they deem necessary to enhance our risk management practices. The Executive Compensation Committee similarly reports to the full Board at each meeting of the Board following a committee meeting. Our Board also monitors, reviews and reacts to various reports and recommendations presented by our management, internal and external auditors, counsel, and regulators. Through these reports, the full Board obtains an understanding of the risks of our business strategies and how our management assesses, quantifies and manages those risks, and how management sets our enterprise-wide risk management policies and procedures. Although our Board understands that a degree of risk is inherent in any business operation, it strives to ensure that risk management is a part of our business culture, and that our policies and procedures for assessing, monitoring and limiting risk are part of our daily decision-making processes.

Board Committee Oversight

Our Board committees assist in our overall risk management in a variety of ways, including the following:

Our Audit Committee is responsible for the oversight of our internal control environment and our overall business controls, which are designed to ensure that they are effective for purposes of providing our Board and management with necessary information and complying with regulatory standards, including standards for effectiveness and adequacy under the Sarbanes-Oxley Act. It addresses our financial controls through its reviews of our earnings releases and periodic filings with the SEC, and it receives formal reports from the directors of Internal Audit, Credit Examination, Compliance, Risk Management and the General Counsel on any significant matters at least quarterly. It also receives input from our senior management, including executives from our affiliate banks. These reports include reports on the allowance for credit losses, testing under the Sarbanes-Oxley Act, general regulatory compliance, overall internal controls and outstanding legal matters. The Director of Corporate Risk Management provides summaries of the Enterprise-wide Risk Management Committee (or ERMC), our model control committee and our new products review committee reports and recommendations to the Audit Committee on a quarterly basis, and to our full Board at least annually. Our external auditors also provide quarterly updates and communications to the Audit Committee.

Our Credit Review Committee meets at least quarterly to review high-risk loan portfolios and concentrations, credit trends, lending policies and the allowance for credit losses. The Committee regularly receives comprehensive reports from our credit administration, credit examination and internal audit and management units.

Our Executive Compensation Committee reviews with our senior risk officers (including our Director of Corporate Risk Management) and external consultants, as appropriate, senior executive officer compensation arrangements and overall compensation arrangements, with a view to ensuring that those arrangements do not encourage unnecessary and excessive risk taking. As noted in the section entitled Compensation Discussion and Analysis, the Executive Compensation Committee also evaluates our compensation arrangements in connection with our compliance with the compensation limitations and restrictions under the Troubled Asset Relief Program, or TARP, Capital Purchase Program, or CPP, and other governmental programs.

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Our Board does not have a separate risk management committee but, instead, believes that the entire Board should be responsible for that function. The full Board helps ensure that our management is properly focused on risk by, among other things, reviewing and discussing the performance of our senior management and business unit leaders and reviewing our succession plans and contingency planning programs. The Board also reviews the reports of our standing Board committees and receives periodic reports directly from management such as credit portfolio, investment portfolio and liquidity and funding stress testing results, interest rate positions, compliance processes, business resumption planning, information technology and internet security. Our Board also considers reputation and strategic risk and evaluates the performance of our Board s committees in the execution of their responsibilities. The full Board and its committees regularly require the participation of senior officers and executives of our affiliate banks in general Board meetings. The Board of Directors and Board level committees engage third party expertise at their discretion to supplement their risk oversight capabilities.

Enterprise-wide Risk Management Committee

Our risk management process is based, in part, on the input and recommendations of various management committees, including our asset liability committee, capital management committee, model validation committee, new product review committee, credit administration committee and securities valuation and securitization oversight committee. In addition, our ERMC acts as a consultative management committee which meets regularly to identify and assess enterprise-wide risks that may affect our ability to execute on our business objectives and strategies. The ERMC is chaired by our Chairman and CEO and is administered and supported by our Executive Vice President Risk Management. Our CFO, General Counsel, and Directors of Corporate Finance, Investments, Technology, and Credit Administration are also members of the ERMC. Our Directors of Credit Examination, Corporate Compliance and Internal Audit participate frequently in ERMC meetings, but do so only on an invited basis to avoid potential conflicts of interest. The ERMC meets quarterly.

These committees establish and recommend to our Board, in consultation with our business units and management, specific policy limits for a variety of risk categories, including interest rate risk, liquidity risk, and concentrations of some loan portfolios by geography and product type, and develops policies and procedures for products and business activities in which we will participate. With the assistance of these committees, our Board has established enterprise-wide metrics to identify and manage our aggregate risk exposure for, among other matters, interest rate changes, liquidity, credit and other business risks inherent in our operations.

REPORT OF THE AUDIT COMMITTEE

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

The Audit Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of Zions Bancorporation. During 2009, the Audit Committee met twelve times, and discussed with the CEO, CFO, Controller, internal auditors and an independent registered public accounting firm, which we refer to as the external auditors, the interim and annual SEC filings that contained financial information, prior to their public release. In discharging its oversight responsibility, the Audit Committee obtained from the external auditors a formal written statement describing all relationships between the external auditors and the Company that might bear on the external auditors independence and discussed with the external auditors their independence and any relationships that may impact their objectivity and independence. The Audit Committee also discussed with management, the internal auditors and the external auditors the quality and adequacy of Zions Bancorporation internal controls and the internal audit function s organization, responsibilities, budget and staffing. The Audit Committee reviewed both with the external and internal auditors their audit plans, audit scope and identification of audit risks.

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The Audit Committee discussed and reviewed with the external auditors all communications required by generally accepted auditing standards including, among others, Statement on Auditing Standards No. 61 and, with and without management present, discussed and reviewed the results of the external auditors audit of the financial statements and internal control over financial reporting. The Audit Committee followed formal policies and procedures governing the pre-approval of audit and permissible non-audit services to be performed by the Company s external auditors. The Audit Committee also discussed the results of the internal audit examinations. The Audit Committee s Charter was reviewed and deemed effective. In addition, the Audit Committee held regular executive sessions and private meetings with members of management, regulators of the Company, internal auditors and external auditors, and performed other actions deemed necessary to discharge the Audit Committee s responsibilities. The Audit Committee conducts periodic performance self-evaluations for review with the Board of Directors that includes a comparison of the performance of the Audit Committee with the requirements of its Charter.

As set forth in the Charter of the Audit Committee, management of the Company is responsible for the preparation, presentation and integrity of the Company s financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles, policies and internal controls, procedures that provide for compliance with accounting standards and applicable laws and regulations. The internal auditors are responsible for independently assessing such financial statements, principles, policies, internal controls and procedures as well as monitoring management s follow-up to any internal audit reports. The external auditors are responsible for planning and carrying out a proper audit of the Company s annual financial statements, reviews of the Company s quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q, annually auditing the effectiveness of internal control over financial reporting and other procedures. The members of the Audit Committee are not full-time employees of the Company and are not performing the functions of auditors or accountants. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct field work or other types of auditing or accounting reviews or procedures or to set auditor independence standards.

The Audit Committee reviewed the audited financial statements and the report of management on internal control over financial reporting of Zions Bancorporation as of and for the year ended December 31, 2009 with management, internal auditors, and the external auditors. Relying on the reviews and discussions described above the Audit Committee recommended to the Board of Directors that the Zions Bancorporation audited financial statements and management s assessment of internal control over financial reporting be included in the Annual Report on Form 10-K for the year ended December 31, 2009 for filing with the SEC.

Stephen D. Quinn, Chairman

Jerry C. Atkin

J. David Heaney

Shelley Thomas Williams

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EXECUTIVE OFFICERS OF THE COMPANY

The following information is furnished with respect to certain of the executive officers of the Company.

Individual	Principal Occupation During Past Five Years[1]
Harris H. Simmons Age 55 Officer since 1981	Chairman, President and Chief Executive Officer of the Company; Chairman of Zions First National Bank; Director, Questar Corporation, National Life Holding Company, and O.C. Tanner Co.
Bruce K. Alexander Age 57 Officer since 2000	Executive Vice President of the Company; Chairman, President and Chief Executive Officer of Vectra Bank Colorado, N.A.; Director, Federal Reserve Bank of Kansas City (Denver Branch).
A. Scott Anderson Age 63 Officer since 1997	Executive Vice President of the Company; President and Chief Executive Officer of Zions First National Bank; Director, Federal Reserve Bank of San Francisco (Salt Lake City Branch) 2003-2008; Officer of Zions First National Bank since 1990.
James R. Abbott Age 36 Officer since 2009	Senior Vice President of the Company; prior to 2009, Senior Vice President and Equity Analyst (including with respect to the Company) with FBR Capital Markets.
Doyle L. Arnold Age 61 Officer since 2001	Vice Chairman and Chief Financial Officer of the Company.
David E. Blackford Age 61 Officer since 2001	Executive Vice President of the Company; Chairman, President and Chief Executive Officer of California Bank & Trust; Director, M.D.C. Holdings, Inc. 2001-2007; Officer of California Bank & Trust since 1998 .
Danne L. Buchanan Age 52 Officer since 1995	Executive Vice President of the Company; President and Chief Executive Officer, NetDeposit, LLC.
Gerald J. Dent Age 68 Officer since 1987	Executive Vice President of the Company; Chief Credit Officer of the Company.
George M. Feiger	Executive Vice President of the Company; President and Chief Executive Officer of our affiliate, Contango Capital Advisors.

Age 60 Officer since 2003	
Dallas E. Haun Age 56 Officer since 2007	Executive Vice President of the Company; President and Chief Executive Officer of Nevada State Bank; prior to 2007, Executive Vice President, California Commercial and Private Banking Services of City National Bank.
W. David Hemingway Age 62 Officer since 1997	Executive Vice President of the Company; Chief Investment Officer of the Company; Officer of Zions First National Bank since 1977.
Alexander J. Hume Age 36 Officer since 2006	Senior Vice President and Corporate Controller of the Company; prior to March of 2010, Vice President and Assistant Corporate Controller of the Company; prior to June 2006, Manager at Honeywell International.
John T. Itokazu Age 49 Officer since 2007	Executive Vice President of the Company; Vice Chairman of Zions Management Services Company; Officer of Zions Management Services Company since 1983.

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Individual	Principal Occupation During Past Five Years[1]
Thomas E. Laursen Age 58 Officer since 2004	Executive Vice President, General Counsel and Secretary of the Company; prior to 2004, Partner of Holme, Roberts & Owen, LLC.
Connie Linardakis Age 45 Officer since 2005	Executive Vice President of the Company; Chief Human Resources Officer of the Company; prior to August 2005, Director, Executive Staffing and Talent Management of Raytheon Company.
Keith D. Maio Age 52 Officer since 2005	Executive Vice President of the Company; President and Chief Executive Officer of National Bank of Arizona; prior to January 2005, President and Chief Operating Officer of National Bank of Arizona; Officer of National Bank of Arizona since 1992.
Dean L. Marotta Age 57 Officer since 2003	Executive Vice President of the Company and Executive Vice President of Enterprise Risk Management; Senior Vice President and Director of Internal Audit, 2003 2006.
Scott J. McLean Age 53 Officer since 2006	Executive Vice President of the Company; Chief Executive Officer, Amegy Bank N.A.; prior to December 2009, President of Amegy Bank N.A.; Officer of Amegy Bank N.A. since 2002.
Steve D. Stephens Age 51 Officer since 2010	Executive Vice President of the Company; President of Amegy Bank of Texas; Officer of Amegy Bank N.A. since 1990.
Stanley D. Savage Age 64 Officer since 2001	Executive Vice President of the Company; Chairman, President and Chief Executive Officer of The Commerce Bank of Washington, N.A.; Chairman of The Commerce Bank of Oregon.

(1) Officers are appointed for indefinite terms of office and may be replaced at the discretion of our Board of Directors.

COMPENSATION DISCUSSION AND ANALYSIS

Overview of 2009 Compensation

In 2009, our executive compensation decisions were impacted primarily by two factors: the continuing financial downturn, and the restrictions on executive compensation imposed by our participation in the U.S. Treasury s TARP CPP.

The recent and ongoing financial downturn had a significant negative impact on our 2009 financial results. Because our executive compensation programs are designed to align the compensation of our executives with the financial performance of the Company and the interests of the Company s shareholders, the Company s 2009 financial performance also impacted the compensation of our named executive officers for 2009. In addressing these factors, the Executive Compensation Committee took the following actions, among others, with respect to 2009:

- It froze the base salaries of the Company s Chief Executive Officer, Chief Financial Officer and three other most highly compensated executive officers, referred to in this Proxy Statement as the Named Executive Officers, or NEOs, as well as other members of the Company s Executive Management Committee, or EMC, with the exception of a very limited number of increases deemed critical to maintaining internal equity.

- It paid no annual bonuses to the NEOs or other members of the EMC.

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- It excluded the NEOs and all other members of the EMC from participation in our new long-term cash incentive plans, known as the 2009-2011 Value Sharing Plans.

- It reduced our total variable cash incentive expense for 2009 by 28%, as compared to 2008.

In 2008, we issued preferred shares to the Treasury Department pursuant to the Treasury Department s CPP. As a participant in the CPP, we are subject to EESA, and the Interim Final Rule on TARP Standards for Compensation and Corporate Governance, or the Interim Final Rule, issued by the U.S. Treasury Department in June 2009 under the ARRA.

For the senior executive officers, or SEOs, of the Company, who are also the same persons as our NEOs, the Interim Final Rule prohibits or limits certain components of our executive compensation program, including:

- payment or accrual of annual and long-term incentive compensation, other than long-term restricted shares subject to certain limitations;

- granting of stock options;

- certain retirement benefits; and

- potential payments upon termination of employment or change of control (severance payments) that the executive officers or covered employees might otherwise have been eligible to receive.

As a result, the primary means remaining available to the Company for compensating our NEOs and other employees covered by the Interim Final Rule are now limited to cash salary, stock salary and, on a limited basis, ARRA-compliant restricted shares. The Executive Compensation Committee made significant efforts in 2009 to determine how best to continue to meet the objectives of our executive compensation program within the context of these limitations. These efforts culminated in substantial modifications to our executive compensation program for 2010, which were announced in December 2009. Based on its review of compensation trends within the marketplace, executive compensation plans of peer institutions, and industry and economic conditions, the Executive Compensation Committee believes that the modifications to our executive compensation program for 2010 are a prudent step toward the Company s objective of retaining key employees who are leading the Company through this difficult economic cycle.

Compensation Philosophy and Objectives

Our Executive Compensation Committee is responsible for establishing, implementing, and monitoring adherence to our compensation philosophy for executive officers. The Committee seeks to establish total compensation for members of the EMC that is fair, reasonable, and competitive. The Committee believes that the most effective executive compensation program is one that emphasizes the alignment of executives interests with those of the shareholders. Traditionally, our executive compensation programs were designed to achieve the following objectives:

- attract and retain talented and experienced executives in the highly competitive financial services industry;

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

- compensate our executives for managing our business to meet our long-range objectives;

- align the interests of our executive officers and shareholders by rewarding performance above established targets, particularly with regard to earnings growth and return on equity, with the ultimate objective of improving shareholder value; and

- create fairness among the executive management team by recognizing the contributions each executive makes to our success.

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In past years, these objectives were furthered by two important design characteristics of our executive compensation arrangements:

- a large component of an executive s total potential compensation was performance-based; and
- a large component of an executive s realizable performance-based compensation was dependent on long-term financial performance.

As noted above, under the Interim Final Rule, many of the performance-oriented elements of our executive pay program are no longer permitted or are significantly restricted. Accordingly, many of the performance-based elements in our executive compensation programs required modification and/or elimination. The changes to our executive compensation structure are discussed in the following sections.

Participation in Capital Purchase Program

On November 14, 2008, we issued preferred shares to the Treasury Department pursuant to the Treasury Department s CPP. In connection with our participation in the CPP, we are required under the Interim Final Rule for the duration of the period that the U.S. Treasury holds any equity or debt position in the Company acquired under the CPP to take the following actions or submit to the following limitations with respect to our executive compensation arrangements relating to our SEOs:

- prohibit golden parachute payments to any SEO and any of our next five most highly compensated employees;
- prohibit paying or accruing any bonus, retention award, or incentive compensation to any SEO and our twenty next most highly compensated employees during the period in which any of our obligations under the CPP remains outstanding. An exception is provided for grants of long-term restricted shares that meet certain conditions and that have a value of not more than one-third of the total compensation of the employee receiving the award;
- facilitate an annual, nonbinding, advisory shareholder vote on our executive compensation programs;
- require that our senior risk officer(s) meet at least semi-annually with our Executive Compensation Committee to discuss and evaluate employee compensation plans in light of an assessment of any risk posed to the Company from the plans;
- adopt a Company-wide policy prohibiting excessive or luxury expenditures;
- require that SEO bonus and incentive compensation be subject to recovery or clawback by the Company if the payments are based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria. A similar requirement is already imposed on our Chief Executive Officer and Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002;
- limit compensation deductibility under Section 162(m)(5) of the Internal Revenue Code, or Code, which reduces the annual tax deduction limit for remuneration paid to the our SEOs during any taxable year from $1,000,000 to $500,000 and eliminates the exception to the deduction limit for performance-based compensation; and
- require our CEO and CFO to annually make written certifications as to our compliance with the requirements described above.

The Company s SEOs currently consist of the same executive officers as are designated NEOs for purposes of this Proxy Statement.

In order to comply with these requirements, we have entered into a written agreement with each of our NEOs and other selected employees who are or could potentially become subject to these restrictions. In addition, the Company has adopted a compensation clawback policy and a luxury and excessive expenditures policy. These agreements and policies have the effect of amending each NEO s compensation, bonus, incentive and other benefit plans, arrangements and agreements, as described in this section, as necessary to comply with the CPP and Interim Final Rule requirements described above for any year in which the Treasury Department holds an equity or debt position in the Company, other than warrants. As a result, all NEO compensation arrangements are limited in accordance with these regulatory requirements. These agreements also permit the Company to take any actions necessary to amend the NEOs incentive compensation arrangements in the event that the Committee determines, pursuant to the analysis described below, that any such arrangements encourage the NEOs to take unnecessary and excessive risks that threaten the value of the Company.

As noted above, in connection with its participation in the CPP, the Executive Compensation Committee is required to meet semi-annually with our Chief Risk Management Officer or other senior risk managers acting in this capacity to discuss and review the relationship between the Company s risk management policies and practices and all of the Company s employee incentive compensation arrangements, identifying and making efforts to limit any features in such compensation arrangements that might lead to employees taking unnecessary or excessive risks that could threaten the value of the Company. The Executive Compensation Committee, on behalf of the Company, must certify that it has completed the review and taken any necessary actions.

In response to this requirement, our Chief Risk Management Officer conducted a risk assessment of all the Company s employee incentive plans and presented the report s findings to the Executive Compensation Committee in February 2010. A description of this risk assessment and the process taken to complete the report is provided in the Executive Compensation Committee Report beginning on page [29] of this Proxy Statement.

Additional compensation-related actions taken by the Company and the Executive Compensation Committee during 2009 in order to comply with the requirements of the CPP and the Interim Final Rule are described in the following sections.

Setting Executive Compensation

To assist management and the Committee in assessing and determining competitive compensation packages, the Committee retained a compensation consultant, Semler Brossy, LLC, to analyze executive compensation levels for 2005, 2007, and 2009. Semler Brossy provided the Committee with relevant market data and alternatives to consider when making compensation decisions for the CEO, and when considering the recommendations being made by the Company s CEO for other members of the EMC. These reviews of the competitive pay market were considered in establishing the compensation levels that became effective January 1, 2005, 2007, and 2009, respectively. In establishing compensation for 2006 and 2008, the Committee relied on the 2005 and 2007 studies, respectively, taking into account modifications warranted by changes in individual executive job responsibilities and job performance, internal equity considerations, and external market conditions.

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In making compensation decisions, the Committee has historically compared each element of total compensation against a custom peer group of publicly traded commercial banking companies, which we refer to as the Custom Peer Group. The Custom Peer Group, which is reviewed periodically and updated by the Committee, consists of companies that are reasonably comparable in terms of size and scope of business to the Company and against which the Committee believes the Company competes for talent and for shareholder investment. The companies included in the Custom Peer Group for the 2009 study were:

- SunTrust Banks, Inc.
- Fifth Third Bancorp
- Regions Financial Corp
- KeyCorp
- PNC Financial Services Group, Inc.
- M&T Bank Corporation
- BB&T Corp
- Huntington Bancshares Incorporated
- Marshall & Ilsley Corporation
- Associated Banc-Corp
- Comerica Incorporated
- Synovus Financial Corp.
- First Horizon National Corporation
- Colonial BancGroup, Inc.
- UnionBanCal Corporation

This group of peer banking companies was formed by considering all banks with total assets within a proximate range, both smaller and larger than our total assets, and with a commercial banking focus. Thrifts and mortgage finance companies were excluded from the group.

To attract and retain executives with the ability and experience necessary to lead the Company and deliver strong performance to our shareholders, the Company s goal is to provide a competitive total compensation package. Since the Company competes nationally for executive talent, the Committee believes it is appropriate to generally target base salaries and annual cash compensation to the market median (50^{th} percentile) of base salaries and annual cash compensation paid to similarly situated executives of companies comprising the Custom Peer Group (or other relevant benchmarks). Historically, the Committee has also believed it is appropriate to pay long-term incentive values that are above the market median for performance that exceeds the median of the Custom Peer Group.

In reviewing 2009 compensation, however, the Committee ultimately determined not to rely on the 2009 Custom Peer Group comparisons, because the substantial changes in compensation levels and pay structure brought about by industry performance and regulatory restrictions made such historical comparisons less meaningful. Instead, the Committee s review of the Company s compensation levels was more focused on its alignment with regulatory requirements, anticipated Company performance and other market data.

In past years, to be consistent with the pay-for-performance objectives of our executive compensation philosophy, a significant percentage of each of our executives total compensation was allocated to performance-based pay. The performance-oriented pay programs included: annual bonuses, stock option awards, and units in the Company s long-term cash performance plans, known as Value Sharing Plans, or VSPs. The Committee did not have an established policy or target for the allocation between either cash and noncash or short-term and long-term compensation. Rather, the Committee reviewed and considered information provided by its independent compensation consultant to determine the appropriate level and mix of performance-based pay. Presently, due to the Company s participation in the CPP and the requirements of the Interim Final Rule, the performance-oriented elements of the Company s executive compensation programs are either not permitted or have been significantly restricted.

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Components of Executive Compensation

Compensation for each of the persons named in the Summary Compensation Table, as well as other senior executives, has typically been comprised of the elements detailed below:

- Base Salary
- Annual Bonus
- Long-Term Incentives
  - Value Sharing Plans
  - Stock Options
  - Restricted Shares
- Health and Welfare Benefits
- Retirement Benefits
  - Deferred Compensation Plan
  - 401(k) Payshelter and Employee Stock Ownership Plan
  - Excess Benefit Plan
  - Cash Balance Plan
  - Supplemental Executive Retirement Plan
- Perquisites and Other Personal Benefits.

As a result of the restrictions imposed by the Interim Final Rule, exclusive of health, welfare and retirement benefits, the primary means remaining available to the Company for compensating our NEOs and other covered employees are now limited to cash salary, stock salary and, on a limited basis, restricted shares.

In 2009, total annual cash compensation (base salary plus annual cash bonus paid in 2009 with respect to 2008 performance), as well as total annual compensation (total annual cash compensation plus long-term incentives) of the NEOs were below the median for comparable executives employed by the members of the Custom Peer Group. We provide a brief explanation of the factors used to determine each component of the NEOs compensation in the sections that follow:

Base Salary

We provide our Chief Executive Officer, Chief Financial Officer and three other most highly compensated executive officers, referred to as the NEOs, as well as other employees, with a base salary to compensate them for services rendered to us during the fiscal year. Salary levels are typically considered annually as part of our performance review process, as well as upon a promotion or other change in job responsibility. In determining base salaries, the Committee considers the executive s qualifications and experience, scope of responsibilities, individual job performance, market conditions, competitive salary levels, and practices at companies in the Custom Peer Group, as well as pay relative to other officers of the Company.

In considering the appropriate salaries for the NEOs in 2010, the Executive Compensation Committee considered it appropriate to account for the impact of the restrictions and limitations imposed by the Interim Final Rule on each NEO s total compensation and added a stock salary component for each NEO. This action resulted in raising the total salary for each NEO above the historical median salary for similarly situated executives employed by firms in the Custom Peer Group. Based on filings with the SEC during 2009 and early 2010, we know that many of the firms in the Custom Peer Group have taken similar actions due to the impact of the new Interim Final Rule compensation restrictions. Further, our analysis of a select group of filings with the SEC during 2009 and early 2010 indicates that our increases were in the lowest quartile of salary increases made to similarly situated executives employed by our peer financial institutions.

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2009 Salary Determination: The Committee made base salary recommendations for 2009 for the NEOs in March 2009. The Committee determined that, as part of our expense reduction initiatives and due to the weak performance of the banking industry and of the Company relative to prior years, it would not increase base salaries for any of the NEOs in 2009. The Executive Compensation Committee maintained this base salary freeze even after the Interim Final Rule prohibited payment of several of the other elements of our NEOs total compensation.

2010 Salary Determination: The Committee made base salary recommendations for 2010 for the NEOs in December 2009. In making its determinations, the Committee took into consideration the fact that it could not approve any cash incentive payments to the NEOs for 2009 performance under the Interim Final Rule and that the value of long-term incentive awards (equity and long-term cash incentives) it could approve in 2010 would be either prohibited or significantly limited by the Interim Final Rule. Similar to the prior year, the Committee determined that, due to weak performance of the banking industry generally and of the Company relative to prior years and its business plan, it would keep base cash salaries flat for Messrs. Simmons, Arnold, Anderson, and Feiger. The Committee did determine to increase Mr. Blackford s cash salary by $13,000 to $510,000 per annum in order to address some internal equity considerations.

Additionally, in order to maintain a level of total compensation that the Committee determined appropriate to ensure the continued services of the NEOs and to appropriately align their interests with those of the Company s shareholders, and after taking into consideration the impact of the Interim Final Rule, the Committee approved stock salary components of each NEO s base salary. The amount of annual stock salary awarded to each of Messrs. Simmons, Arnold, Anderson, Blackford, and Feiger was $282,156, $217,803, $136,653, $140,640, and $80,028, respectively. As previously mentioned, these stock salary grants are very modest, well below the median, in comparison to stock salary grants made to similarly situated executives at peer financial institutions based on our review of SEC disclosures filed in late 2009 and early 2010.

The annual stock salary is effective as of January 3, 2010 and will be granted in bi-weekly installments during 2010 as fully vested restricted stock units. The number of stock units awarded to each NEO will be calculated by dividing the bi-weekly stock salary cash value less applicable payroll taxes (e.g., FICA and FUTA) by the closing price of our common shares as of the applicable payroll date. The restricted share units will be settled in our common shares. These restricted stock units are not transferable until the transfer restrictions lapse. The transfer restrictions will lapse for 50% of the units granted during 2010 on January 15, 2011. The transfer restrictions for the remaining 50% of units granted during 2010 will expire on January 15, 2012. Upon the lapse of transfer restriction on the stock salary units, the employee must pay any applicable federal and state withholding obligations. Each of the NEOs will have the opportunity to elect to pay the applicable taxes for such shares either by (1) cash payment, or (2) having a portion of the units withheld. We would then issue the net number of common shares to the NEO by deducting the shares retained from the total number of stock units that are no longer subject to transfer restrictions based on Zions Bancorporation s closing share price or fair market value on the applicable settlement date. The restricted stock units will have no dividend equivalents or voting rights.

Annual Bonus

In past years, NEOs and other officers of the Company were eligible for an annual bonus. The Committee approved bonus awards for EMC members, including NEOs, based on a subjective evaluation of a variety of factors, including, but not limited to, the following:

- compensation paid to senior managers with similar qualifications, experience, and responsibilities at other institutions;
- individual job performance;
- local market conditions;
- internal equity considerations;

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

The Interim Final Rule prohibits t