

PINNACLE FINANCIAL PARTNERS INC

Form 8-K

January 24, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 21, 2014

PINNACLE FINANCIAL PARTNERS, INC.

(Exact name of registrant as specified in charter)

Tennessee 000-31225 62-1812853

(I.R.S.

(State or other jurisdiction (Commission Employer

of incorporation) File Number) Identification

No.)

150 Third Avenue South, Suite 900, 37201

Nashville, Tennessee

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (615) 744-3700

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(e) Performance Unit Awards. On January 22, 2014, the Human Resources and Compensation Committee (the "Committee") of the Board of Directors of Pinnacle Financial Partners, Inc. (the "Company") adopted and approved the form of Named Executive Officer 2014 Performance Unit Award Agreement (the "PSU Award Agreement"), which governs grants of Performance Units ("Performance Units") for those employees that are expected to be identified as the Company's "Named Executive Officers" in the Company's proxy statement for its 2014 annual meeting of shareholders (the "Named Executive Officers").

Pursuant to the terms of the PSU Award Agreements, the Committee granted the Named Executive Officers Performance Units that will be settled in shares of the Company's common stock, par value \$1.00 per share (the "Common Stock"), based on the Company achieving performance goals for each of the fiscal years ending December 31, 2014, December 31, 2015 and December 31, 2016 (each such fiscal year is referred to herein as a "Performance Period"). With respect to each Performance Period, the number of shares of Common Stock that a Named Executive Officer will be entitled to receive, if any, will be determined based on the Company's audited fully diluted net income per share of Common Stock ("FDEPS") for the relevant Performance Period (exclusive of the impact of items described in more detail in the PSU Award Agreement).

The target and maximum number of shares that each Named Executive Officer will be entitled to receive pursuant to the PSU Award Agreement in each Performance Period are as follows:

Employee	Target Number of Shares That May Be Earned for Each Performance Period	Maximum Number of Shares That May Be Earned for Each Performance Period
M. Terry Turner	7,314	12,802
Robert A. McCabe, Jr.	6,937	12,145
Hugh M. Queener	1,739	3,043
Harold R. Carpenter	1,739	3,043
Harvey White	1,739	3,043

All Performance Units to be settled in shares of Common Stock will be settled, as soon as practicable, following the filing of the Company's Annual Report on Form 10-K for the applicable Performance Period, but in no event later than March 15 of the year following the applicable Performance Period. All shares of Common Stock issued to the Named Executive Officers, if any, upon settlement of the Performance Units will be subject to forfeiture restrictions that shall lapse in equal 50% increments (based on the aggregate number of shares of Common Stock issued in settlement of the Performance Units for all Performance Periods) on February 28, 2018 and February 28, 2019 (each a "Vesting Date"); provided, that such Named Executive Officer is employed by the Company on the Vesting Date (unless the Named Executive Officer's failure to be employed is the result of death or disability in which case the forfeiture restrictions will lapse upon the employee's termination resulting therefrom) and the ratio of the Company's non-performing assets to total assets (the "NPA Ratio") in each case as of December 31 of the fiscal year ending immediately prior to each Vesting Date is less than the targeted NPA Ratio described in the PSU Award Agreement. In the event that the Named Executive Officer's employment terminates by reason of retirement, the Named Executive Officer shall be entitled to receive the number of Performance Units that would have been earned by the Named Executive Officer for the Performance Period in which the retirement occurred, with such Performance Units settling into shares of Common Stock that will be subject to the same forfeiture restrictions related to the NPA Ratio as such shares would

have been subject had the Named Executive Officer's employment continued.

Any shares of Common Stock for which the performance targets identified above are not met will be immediately forfeited and the award recipient will have no further rights with respect to such shares of Common Stock (including any dividends attributable thereto); provided, however, that if the Committee determines that an event has occurred during any Performance Period which is outside the ordinary course and has impacted the NPA Ratio for such fiscal year, the Committee will have the right, in its sole and absolute discretion, to increase or decrease the vesting targets to reflect such event for purposes of determining whether the forfeiture restrictions with respect to such shares shall lapse for that fiscal year and for any or all future fiscal years.

No Named Executive Officer shall have voting rights with respect to the Performance Units prior to such units' settlement, if any, into shares of Common Stock. Certificates representing shares of Common Stock issued in settlement of the Performance Units will be issued to the Named Executive Officers but shall be held by the Company as custodian until the restrictions on such shares lapse. The Company shall take such action as is necessary to enable the Named Executive Officers to vote any such shares held by the Company as custodian until the restrictions on such shares lapse. The Performance Units and shares of Common Stock issuable upon settlement of the Performance Units may not be assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of, in each case, prior to the date the forfeiture restrictions with respect to such shares have lapsed, if at all, on any Vesting Date.

Any dividends paid by the Company on shares of Common Stock while the Performance Units remain outstanding or while any shares of Common Stock issued upon settlement of the Performance Units remain subject to forfeiture, shall accrue for the benefit of the Named Executive Officer (and in the case of shares of restricted stock shall be paid into escrow for the benefit of the Named Executive Officer) but shall not be paid to such Named Executive Officer until such time as the restrictions on any shares of Common Stock issuable on settlement of the Performance Share Units shall lapse (and then only to the extent that the dividends are attributable to such shares).

In the event that a Change in Control (as defined in the PSU Award Agreement) occurs prior to the end of any Performance Period, the Compensation Committee shall determine, based on the Company's performance for any Performance Periods prior to such Change in Control, the number of Performance Units that would be expected to be earned by the Named Executive Officer for the remainder of the Performance Periods and the Named Executive Officer will be vested in the greater of such number of Performance Units and the number of Performance Units that the Named Executive Officer would earn based on "target" level of performance. Such Performance Units shall be settled in a like number of shares of Common Stock that shall not be subject to any further forfeiture restrictions.

The foregoing summary of the PSU Award Agreement is qualified in its entirety by reference to the form of PSU Award Agreement, a copy of which is filed herewith as Exhibit 10.1 and is incorporated herein by reference. 2014 Cash Incentive Plan. On January 21, 2014, the Committee approved the Pinnacle Financial Partners, Inc. 2014 Annual Cash Incentive Plan (the "Plan"). Pursuant to the Plan, all employees of the Company compensated via a predetermined salary or hourly wage, including the Named Executive Officers, are eligible to receive cash incentive payments ranging from 10 percent to 125 percent of the participant's base salary in the event that Pinnacle Bank's ratio of classified assets to the sum of Pinnacle Bank's tier 1 risk-based capital and its allowance for loan losses (the "Classified Asset Ratio") is not more than a predetermined ratio and (i) the Company meets or exceeds (A) targeted levels of FDEPS and (B) targeted levels of total revenue, expressed as the sum of the Company's net interest income plus noninterest income excluding gains (or losses) on the sale of investment securities (or any other unusual items as determined by the Committee), and (ii) in certain cases, the employee meets certain individual performance objectives. Each participant will be assigned an "award tier" based on their position within the Company, their experience level or other factors. Participant awards may be increased or decreased by the participant's performance evaluation for 2014 such that the participant's target award may be adjusted up or down based on their final performance rating.

The foregoing summary is qualified in its entirety by reference to the Plan, a copy of which is filed herewith as Exhibit 10.2 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Form of Named Executive Officers 2014 Performance Unit Award Agreement

10.2 Pinnacle Financial Partners, Inc. 2014 Annual Cash Incentive Plan

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PINNACLE FINANCIAL PARTNERS, INC.

By: /s/Harold R. Carpenter  
Name: Harold R. Carpenter  
Title: Executive Vice President and Chief Financial Officer

Date: January 24, 2014

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EXHIBIT INDEX

Exhibit No. Description

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| 10.1 | Form of Named Executive Officers 2014 Performance Unit Award Agreement |
| 10.2 | Pinnacle Financial Partners, Inc. 2014 Annual Cash Incentive Plan      |