MERRITT DAVID C
Form 3
September 14, 2010

FORM 3

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Â MERRITT DAVID C
(Last) (First) (Middle)

C/O CHARTER COMMUNICATIONS, INC.,Â 12405 POWERSCOURT DRIVE
(Street)

ST. LOUIS,Â MOÂ 63131
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
09/14/2010

3. Issuer Name **and** Ticker or Trading Symbol
CHARTER COMMUNICATIONS, INC. /MO/ [CHTR]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Class A Common Stock	2,536 (1)	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership (Instr. 5)

		(Instr. 4)			
Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MERRITT DAVID C C/O CHARTER COMMUNICATIONS, INC. 12405 POWERSCOURT DRIVE ST. LOUIS, MO 63131	X			

Signatures

/s/ David C. Merritt	09/14/2010
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Restricted Stock granted 1/21/2010 scheduled to vest on November 30, 2010.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. Section 162(m) of the Code generally disallows a public company s tax deduction for compensation paid in excess of $1 million in any tax year to its five most highly compensated executives. However, compensation that qualifies as performance-based compensation is excluded from this $1 million deduction limit and therefore remains fully deductible by the company that pays it. The Company intends that (i) performance awards, including performance share awards and performance unit awards and (ii) options granted (a) with an exercise price at least equal to 100% of fair market value of the underlying shares of Common Stock at the date of grant and (b) to employees the Committee expects to be named executive officers at the time a deduction arises in connection with such awards, qualify as performance-based compensation so that these awards will not be subject to the Section 162(m) deduction limitations.

The foregoing discussion is general in nature and is not intended to be a complete description of the federal income tax consequences of the Equity Incentive Plan. This discussion does not address the effects of other federal taxes or taxes imposed under state, local or foreign tax laws. Participants in the Equity Incentive Plan are urged to consult a tax advisor as to the tax consequences of participation.

The Equity Incentive Plan is not intended to be a qualified plan under Section 401(a) of the Code.

The following table summarizes information concerning the Company s equity compensation plans at December 31, 2004:

Plan Category	**Number of Shares to be Issued upon Exercise of Outstanding Options and Warrants**	**Weighted Average Exercise Price of Outstanding Options and Warrants**	**Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Shares Reflected in First Column)**
Equity compensation plans approved by shareholders:			
2000 Stock Incentive Plan	980,414	$ 6.13	
2004 Equity Incentive Plan	87,936	$ 17.46	444,024
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
Total	1,068,350	$ 7.03	444,024

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE AMENDMENT TO THE PINNACLE FINANCIAL PARTNERS, INC. 2004 EQUITY INCENTIVE PLAN.

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EXECUTIVE MANAGEMENT INFORMATION

The following table shows for the Named Executive and other executive officers of the Company and the Bank: (a) his or her name, (b) his or her age, (c) how long he or she has been an officer, and (d) his or her position.

Name	Age	Officer Since	Position with Company and Bank
Named Executive Officers:			
M.Terry Turner	50	2000	President and Chief Executive Officer
Robert A. McCabe, Jr.	54	2000	Chairman of the Board
Hugh M. Queener	49	2000	EVP and Chief Administrative Officer
James E. White	52	2000	EVP and Senior Lending Officer
Charles B. McMahan	58	2003	EVP and Senior Credit Officer
Other Executive Officers:			
Joanne B. Jackson	47	2000	EVP and Client Services Group Manager
Harold R. Carpenter, Jr.	46	2000	EVP and Chief Financial Officer

Mr. Turner was employed by First American National Bank serving in various capacities from 1979 to 1999. Mr. Turner served from January 1994 until November 1998 as President of the Retail Bank of First American National Bank. From November 1998 until October 1999, he served as President of the Investment Services Group of First American Corporation.

Mr. McCabe was employed by First American National Bank serving in various capacities from 1976 to 1999, including being appointed vice chairman of First American Corporation from 1994 to 1999.

Mr. Queener was employed by AmSouth Bancorporation from 1999 to 2000 serving as an Executive Vice President in the consumer banking group in Nashville. Prior to the merger with AmSouth, Mr. Queener was employed by First American National Bank from 1987 to 1999 serving most recently as executive vice president in charge of retail lending from 1987 to 1999. Prior to his employment at First American, Mr. Queener was employed with The Kirchman Corporation from 1986 to 1987 and served as senior vice president for client service, installations and software development and support.

Mr. White was employed by AmSouth Bancorporation from 1999 to 2000 serving as Executive Vice President Group Sales Manager for the private banking group in Nashville. Prior to First American National Bank s merger with AmSouth, Mr. White was employed by First American National Bank from 1991 to 1999 serving in a variety of roles in the commercial and private banking areas, including private banking group manager in 1998 and 1999 and president of the middle region of Tennessee in 1997 and 1998.

Mr. McMahan was employed by AmSouth Bancorporation from 1999 to 2002 as Senior Vice President State Senior Credit Officer for Tennessee and Louisiana based in Nashville, Tennessee. Prior to the merger with AmSouth, Mr. McMahan was employed in a variety of roles from 1974 to 1999 at First American National Bank in the commercial and consumer lending areas and, ultimately, was promoted to Executive Vice President Credit Administration. Mr. McMahan is also a certified public accountant.

Ms. Jackson was employed by AmSouth Bancorporation from 1999 to 2000 as the business banking team leader in Nashville, Tennessee. Prior to the merger with AmSouth, Ms. Jackson was employed as a senior vice president at First American National Bank from 1994 to 1999 serving in a variety of roles focusing on the small business market.

Mr. Carpenter was employed by AmSouth Bancorporation from 1999 to 2000 as a senior vice president in the finance group in Nashville, Tennessee. Prior to the merger with AmSouth, Mr. Carpenter was employed

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by First American Corporation as senior vice president from 1994 to 1999 serving most recently as the financial manager for the Tennessee, Mississippi and Louisiana areas. Mr. Carpenter was employed by the national accounting firm, KPMG LLP, from 1982 to 1994.

REPORT OF THE HUMAN RESOURCES, NOMINATING AND COMPENSATION COMMITTEE

The duties and responsibilities of the Human Resources, Nominating and Compensation Committee (the Committee) include, among other things, overseeing the Company s overall executive compensation philosophy; measuring performance with respect to established goals and objectives; designing the components for all executive compensation; and establishing the framework for all compensation for the Chief Executive Officer. The Committee is composed of four independent directors.

Compensation Philosophy

Pinnacle s executive compensation philosophy includes the following principles:

A comprehensive compensation package should take into account all forms of compensation to include salary, incentives, other compensation and perquisites.

Compensation should be competitive with peers based on asset size.

Compensation should include significant upside potential and downside risk.

Incentives should ensure excellent short-term and long-term results.

Key performance measures contained in the strategic framework that were adopted by the Board of Directors and updated annually provide a basis for making qualitative judgments about performance and its implication on compensation and incentive payouts.

Compensation should be both affordable for the firm and fair to the executive.

Measuring Performance

The Board has established a strategic framework consisting of 20 financial and other measures in the critically important areas of soundness, profitability, growth and market effectiveness. The Board has established long-term targets and annual targets for the current and next two years for each of these performance measures. These targets include measurements, which are widely known in the banking industry as well as several internally developed benchmarks as follows:

Soundness

Criticized/classified assets to capital	Allowance for loan losses to total loans
Nonperforming loans to total loans	Past due loans > 90 days
Net charged-off loans to average loans	Tier 1 leverage ratio
Total risk based capital ratio	Net noncore funding dependency

Profitability

Return on average assets	Return on average equity
Fully-diluted earnings per share	Efficiency ratio
Total noninterest income to total revenues	Net interest margin

Growth

Growth in earnings per share year over year	Growth in deposits year over year

Market Effectiveness

Market share	Internal client service index
Internal operational quality index	Associate retention rates

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The key performance measures noted above are integral parts of the Company s strategic planning efforts. Annually, these measurements are reviewed and, in some cases, modified by the Board. These measurements provide a basis for making qualitative judgments about performance and its implication on compensation and incentive awards for the Company s executive officers, particularly the Chief Executive Officer.

Components of Executive Compensation

The three primary components of executive compensation are:

Base Salary

Annual Cash Incentive Plan

Stock and Other Long-term Incentive Plans

Base Salary - Base salary is designed to provide reasonable levels of compensation to the executive. Salaries for the Company s executive officers are reviewed annually and are based on:

Job scope and responsibilities;

Corporate, business unit, and individual performance;

Competitive salaries for similar positions; and

Other factors.

Annual Cash Incentive Plan - All non-commissioned associates of the Company are eligible for participation in the Annual Cash Incentive Plan which provides awards to the participants at various levels ranging from 10% of base salary to 50% of base salary. For the Named Executive Officers and other executive officers, the annual cash incentive plan ranges from 30 50% of the officer s base salary compensation and is considered at risk if minimum performance thresholds are not met. The Committee is responsible for administering the Annual Cash Incentive Plan. For all participants, the award is based on achieving the Company s annual earnings targets and clearing various soundness thresholds. The Annual Cash Incentive Plan is structured such that awards may increase or decrease based on whether the Company s actual performance for the calendar year exceeded pre-established performance targets, met performance targets or was less than performance targets. Additionally, all participants must be rated at least meets expectations against their individual goals and objectives in their annual performance reviews to receive any payouts under the Annual Cash Incentive Plan. For the 2004 plan, the CEO of the Company had discretionary authority to increase a participant s award by 5% should the CEO determine that the efforts of the participant during 2004 warrant such an increase.

In 2004, the Company did not achieve its earnings targets, although it did achieve its soundness thresholds. As a result, the Company awarded the participants, including the Named Executive Officers, an award which approximated 80% of their individual targeted cash incentive award. For the Named Executive Officers, the 2004 cash incentive award actually paid ranged from 24% of their base salary to 40%.

Stock and Other Long-term Incentive Plans In 2004, the Company s Board adopted, and the Company s shareholders approved, the Company s 2004 Equity Incentive Plan (the 2004 Plan). Under the terms of the 2004 Plan, the Company s associates are eligible to receive equity based incentive awards including stock options, stock appreciation awards, restricted shares of the Company s common stock, restricted stock units and performance shares or units. The 2004 Plan reserved 531,960 shares of the Company s common stock for issuance to the eligible participants.

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The Committee believes that equity-based, long-term compensation programs link the interests of senior management, both individually and as a team, to the long-term interests of stockholders. In 2004, the Committee granted awards to the Company s Named Executive Officers, as follows:

Named Executive Officers received stock option awards during 2004 after the Committee considered the stock option holdings of these officers in relation to other associates in the Company. All stock options awarded to the Named Executive Officers in 2004 vest over a five-year period and have value only to the extent that the Company s common stock price increases over the grant price during the ten-year exercise period. This compensation is totally at risk in the event that the stock price does not increase over the grant price. The more shareholder value increases, the greater the compensation to the executives. The Committee anticipates that all future stock option grants to the Named Executive Officers and other senior executive officers will be based on the achievement of certain annual performance objectives including earnings objectives, rather than simply the passage of time.

The Committee also granted shares of restricted stock to the Named Executive Officers and certain other senior executive officers, with the forfeiture restrictions of those awards tied to the Company s three-year performance plan. The restrictions associated with the restricted shares awarded to the Named Executive Officers in 2004 lapse in 33% increments upon the achievement of the performance targets for each fiscal year ended 2004, 2005 and 2006 or for the three year period ended 2006 for those awards for which the one year targets were not met if the Company meets targets established for the three-year period. Therefore, the incentive is only earned if senior management effectively manages the Company to achieve sustained longer-term performance within certain earnings and soundness thresholds. The performance targets associated with the 2004 award were achieved and the restrictions associated with that particular traunche of the 2004 award have been released.

Chief Executive Officer Compensation

Pinnacle has been pursuing a plan to achieve a target of $1 billion in total assets by the end of 2006. The firm believes that achievement of this growth, while at the same time achieving important soundness targets, will produce extraordinary shareholder value. As a result, the goals of this firm require a CEO that can build a high-performing financial franchise in a very short period of time. Additionally, Pinnacle s CEO will be required to:

a. Meet or exceed ongoing profitability goals;

b. Recruit and retain a work force which embraces the culture of a high growth, values-oriented enterprise;

c. Market a financial firm that emphasizes distinctive service and expert advice to clients;

d. Plan and execute the necessary capital raising efforts to support the extraordinary growth;

e. Manage and measure the risk characteristics of the firm (including soundness, operational, and reputation risks) such that risks and returns remain in balance;

f. Conduct business that is consistent with the standards of the various regulatory bodies; and

g. Provide for a corporate governance process that is considered best practice among publicly held entities.

In light of these goals, the Committee s process for determining the compensation of the Company s CEO involved several steps and included such items as the establishment of an appropriate basis for benchmarking; benchmarking bank performance relative to peers on key measures including those that are highly correlated to share price performance; making qualitative and quantitative judgments regarding the market equity of Pinnacle s CEO compensation versus benchmark ranges; profiling targeted compensation and developing a change plan to implement the results of the process, if necessary. Additionally, the Committee may elect to engage an outside consultant to assist in the process if the Committee deems necessary.

Benchmarking is a critical part of the process of setting the Company s compensation for its CEO. Publicly-held companies are required to publish CEO compensation data in their proxy materials, offering circulars and other filings with the SEC. There are several entities that produce peer comparisons based on

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that information. Pinnacle has selected a firm that conducts an extensive executive compensation review annually. This review compares executive compensation practices of several thousand publicly held banking firms in the United States. As a part of their annual publication, this firm provides information on a total option adjusted compensation basis and each of its components for virtually all CEO s of publicly held banks and thrifts. Total option adjusted compensation is the summation of direct cash compensation, the value of other compensation benefits (i.e.; qualified pension plans, profit sharing plans, SERPs, etc.) and the value of any equity-based compensation such as stock options and restricted stock awards that may have been granted to the CEO. The Committee believes that this review, which it conducts annually, produces relevant and reliable information in order to assess the competitive landscape for bank executives with comparable job scope.

In 2004, the Committee determined that the total option adjusted compensation for a select peer group of CEO s of banks with assets of $500 million to $1 billion was an appropriate benchmark for Pinnacle s CEO and that Pinnacle s CEO compensation should exceed the average compensation for this peer group. In addition to the benchmark, the Committee considered other relevant matters such as competition, the degree of difficulty in the annual or long-range plan, affordability and other matters the Committee deemed important. For 2004, the Committee determined that compensation for Pinnacle s CEO should be between 60^{th} and 80^{th} percentile of the selected peer group.

In setting the CEO s 2004 total option adjusted compensation, the Committee believed that a significant portion of the compensation should be at risk and based on the achievement of performance targets. The Committee determined that if performance targets were met, then compensation would be enhanced for meeting those goals and objectives. If performance targets were not met, compensation would be negatively impacted. The Committee also determined that extraordinary results should provide for significantly enhanced compensation. Generally, the Committee believed that the CEO s annual total option adjusted compensation should approximate the following guidelines:

- 40% to 50% should be in the form of base salary.

- 40% to 60% should be at-risk , tied to the achievement of short- and long-term performance targets.

  - Approximately one third of the at-risk compensation should be in the form of a targeted cash bonus award dependent on the firm meeting annual performance targets.

  - Approximately two thirds of the at-risk compensation should be longer-term in nature and directly linked to shareholder value creation. This compensation could be in the form of stock options, restricted stock, stock appreciation rights, etc. For longer-term compensation, the Committee believed that it should have latitude to grant awards that are both subject to time vesting and awards that vested pursuant to the achievement of multi-year performance targets.

The Committee concluded that approximately 42% of the CEO s compensation for 2004 was considered at risk. Therefore, the mix of fixed versus at-risk pay was considered appropriate by the Committee.

Additionally, although other financial firms use other methods of compensation (e.g., board fees, pension plans, SERP s, country club memberships, etc.), it was, and continues to be, the view of the Committee that total compensation for Pinnacle s CEO should be largely comprised of 1) direct cash compensation and 2) equity-based compensation which reward for achievement of the firm s goals and objectives and the creation of long-term shareholder value. The Committee does, however, have the flexibility to utilize other forms of compensation as circumstances arise and provided the CEO with an automobile allowance of $13,000 during 2004.

The Committee also encourages the CEO to maintain a meaningful personal ownership in the Company in the form of common stock. Periodically, the Committee may establish common stock ownership goals for the CEO.

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In 2004, the CEO s annual base salary was set by the Committee at $260,000. Additionally, on April 26, 2004, the Committee granted to the CEO an option to purchase 15,140 shares of the Company s common stock at an exercise price of $14.78 per share. The option, which vests 20% per year for five years, may be exercised by the CEO until April 26, 2014. On August 26, 2004, the Committee granted the CEO a restricted stock award of 690 shares of the Company s common stock with a three-year restriction period. The restriction period lapses in equal annual installments if the Company achieves certain earnings and soundness targets during each of the three years. If the targets are not met in any particular year, the forfeiture restrictions will ultimately lapse for that year if the Company achieves certain cumulative earnings and soundness targets for the three-year period covered by the award.

Under the terms of the Company s annual cash incentive plan, the CEO is eligible to receive a bonus payment targeted at 50% of his base salary based on the Company s and the CEO s performance during the year. The amount of the bonus is determined at the sole discretion of the Committee. On January 21, 2005, the Company paid the CEO $104,000 pursuant to the Company s Annual Cash Incentive Plan for the 2004 fiscal year. The amount paid was equal to 40% of the CEO s base salary or 80% of the CEO s 50% targeted award.

The CEO s employment agreement, which was executed in 2000, automatically renews each day, so that the agreement always has a three-year term, unless any of the parties to the agreement gives notice of intent not to renew the agreement. The agreement also includes severance in the event of certain terminations of employment or changes in control. Please see Employment Agreements on page 32 of this proxy statement.

Summary

The Committee believes this mix of market-based salaries, potentially significant variable cash incentives associated with annual and long-term performance and the potential for equity ownership in the Company represents a balance that will attract and retain high quality, experienced, management and motivate the management team to produce strong returns and accomplish multi-year performance objectives. The Committee further believes this program strikes an appropriate balance between the interests and needs of the Company in operating its business and appropriate rewards based on shareholder value creation.

Gregory L. Burns, Chairman
John E. Maupin, Jr., Member
James L. Shaub, II, Member
Reese L. Smith, III, Member

The foregoing report of the Human Resources, Nominating and Compensation Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent the Company specifically incorporates this information by reference and shall not otherwise be deemed filed under such Acts.

* * * * *

STOCKHOLDER RETURN PERFORMANCE GRAPH

Set forth below is a line graph comparing the monthly percentage change in the cumulative total stockholder return on the Company s Common Stock against the cumulative total return of the NASDAQ Market Index and a customized index created by SNL Financial of Southeastern United States banks with assets of $500 million to $1 billion for the period commencing on August 17, 2000 (the date of the Company s initial public offering of Common Stock) and ending December 31, 2004 (the Measuring

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Period). The graph assumes that the value of the investment in the Company s Common Stock and each index was $100 on August 17, 2000. The change in cumulative total return is measured by dividing the change in share price between the beginning and end of the Measuring Period by the share price at the beginning of the Measuring Period. As the Company paid no cash dividends, the impact of dividends is not applicable to the Company s total return. However, cash dividends may impact the cumulative returns of the two indices.

Cumulative Total Returns (1)

Comparison of

PINNACLE FINANCIAL PARTNERS, INC.
NASDAQ NATIONAL STOCK MARKET (US) INDEX
SNL SOUTHEAST BANKS with ASSETS of $500 MILLION to $1 BILLION (2)

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(1) Assumes $100 invested on August 17, 2000 in Pinnacle Financial Partners, Inc. Common Stock (PNFP) and the two indexes noted above. Additionally, PNFP has traded on the NASDAQ National Market since August 14, 2002. From May 28, 2002 to August 13, 2002, PNFP was traded on the NASDAQ SmallCap Market. Prior to May 28, 2002, PNFP was traded on the OTC Bulletin Board.

(2) SNL Southeast Banks with assets of $500 million to $1 billion is a customized index consisting of 40 publicly traded banking institutions headquartered in nine states in the southeastern United States. SNL Financial is a financial research firm focused on banking and other industries located in Charlottesville, Virginia.

Cumulative Total Return of $100.00 initial investment on August 17, 2000

	Aug 17,	December 31,				
	2000	2000	2001	2002	2003	2004
Pinnacle Financial Partners, Inc.	100.00	60.00	102.50	129.10	235.00	452.42
NASDAQ National Market (US) Index	100.00	62.69	49.49	33.89	50.84	55.49
SNL Southeast Banks with assets of $500 million to $1 billion	100.00	95.17	122.32	153.39	216.14	242.60

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COMPENSATION

The following table sets forth information concerning the annual and long-term compensation for services in all capacities of the Chief Executive Officer and the other four most highly compensated executive officers of the Company whose salary and bonus payment exceeded $100,000 (collectively, Named Executive Officers) for the years ended December 31, 2004, 2003 and 2002.

Summary Compensation Table

		Annual Compensation			Long-term Compensation		
Named Executive Officer Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Awards(1) ($)	Number of Securities Underlying Options(2)	All Other Compensation (3) ($)
M. Terry Turner, Chief Executive Officer	2004	$ 260,000	$ 104,000		$ 14,401	15,140	$ 9,036
	2003	235,000	113,500			25,000	6,000
	2002	220,000	73,333			45,000	5,500
Robert A. McCabe, Jr., Chairman	2004	$ 257,100	$ 102,840		$ 12,836	13,500	$ 10,702
	2003	232,500	112,250			22,000	6,000
	2002	220,000	73,333			45,000	5,500
Hugh M. Queener, Chief Administrative Officer	2004	$ 188,000	$ 60,160		$ 11,208	11,850	$ 7,399
	2003	173,625	65,600			19,000	5,867
	2002	160,000	42,667			27,000	5,070
James E. White, Senior Lending Officer	2004	$ 156,000	$ 37,440		$ 7,827	4,500	$ 5,069
	2003	150,000	45,000				4,870
	2002	145,600	29,120			14,000	4,368
Charles B. McMahan, Senior Credit Officer (4)	2004	$ 145,600	$ 34,944		$ 7,326	6,150	$ 4,859
	2003	136,833	42,000			5,000	4,048

(1) Includes the value, based on the closing market price of the Common Stock on the Nasdaq Stock Market on August 26, 2004, the date of issuance of the restricted stock as follows: Mr. Turner, 690 shares; Mr. McCabe, 615 shares; Mr. Queener, 537 shares; Mr. White, 375 shares; and Mr. McMahan, 351 shares. The restrictions associated with these restricted shares lapse if key performance targets related to a maximum amount of criticized assets and the achievement of a certain earnings per share are achieved over a three-year period. As a result, the restrictions associated with the restricted shares awarded to the named executive officers in 2004 lapse in 33% increments upon the achievement of the performance targets for each fiscal year ended 2004, 2005

and 2006 or for the three-year period ended 2006 for those awards for which the one year targets were not met if the Company meets targets for the three-year period. These performance targets were met for 2004. At December 31, 2004, the named executive officers aggregate holdings of restricted shares of the Company and the market value of such shares was as follows: Mr. Turner, 690 shares valued at $15,608; Mr. McCabe, 615 shares valued at $13,912; Mr. Queener, 537 shares valued at $12,147; Mr. White, 375 shares valued at $8,483; and Mr. McMahan, 351 shares valued at $7,940. If the Company pays dividends during the forfeiture period, dividends will be paid on the restricted shares.

(2) Adjusted for a two for one stock split on May 10, 2004.

(3) Reflects contributions by the Company to its retirement plans for the benefit of each named officer in the amounts of $6,500; $6,000 and $5,500 for Mr. Turner for the years ended December 31, 2004, 2003 and 2002; in the amounts of $7,546; $6,000 and $5,500 for Mr. McCabe for the years ended December 31, 2004, 2003 and 2002; in the amounts of $5,905; $5,867 and $5,070 for Mr. Queener for the years ended December 31, 2004, 2003 and 2002; in the amounts of $4,673; $4,870 and $4,368 for Mr. White for the years ended December 31, 2004, 2003 and 2002; and in the amounts of $4,361 and $4,048 for Mr. McMahan for the years ended December 31, 2004 and 2003. Also reflects payment of premiums for long term disability benefits in the amounts of $2,536 for Mr. Turner; $3,156 for Mr. McCabe; $1,494 for Mr. Queener; $396 for Mr. White and $498 for Mr. McMahan for the year ended December 31, 2004.

(4) Mr. McMahan began his employment with the Company on December 31, 2002.

We believe that bonuses are a valuable tool in motivating an employee base that is focused on providing our customers effective financial advice and increasing shareholder value. As a result, substantially all of our employees are eligible for variable pay (bonus) incentives through our Annual Cash Incentive Plan. We believe this differentiates us from many other financial institutions. The Annual Cash Incentive Plan is approved by the Human Resources, Nominating and Compensation Committee of the Board. This plan requires the Company to achieve certain financial goals for the calendar year in order for a payment of any annual award to any employee. These financial goals include a limitation as to the maximum level of

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criticized assets and the achievement of a certain level of earnings. Each employee who is eligible for an award is given a target of 10% to 50% of their base pay at the beginning of the year. This percentage increases or decreases should the Company exceed or not meet its financial goals. The Company s Chief Executive Officer also had the discretion to award an additional 5% to an employee based on individual accomplishment. During the year ended December 31, 2004, $1,168,000 in bonuses were awarded to the Company s associates, of which $339,384 was awarded to the Named Executive Officers. The incentive plan for 2005 is structured similarly to that of 2004 with there being a limitation as to the Company s maximum amount of criticized assets and the achievement of a certain earnings per share for the year.

Option Grants in 2004. The following table sets forth information concerning stock options granted in 2004 to the Named Executive Officers listed above under the 2004 Incentive Plan. The Company did not grant any stock appreciation rights during 2004.

Option Grants for the year ended December 31, 2004

Name	Number of Securities Underlying Options	Percent of Total Options Granted to All Employees in 2004	Exercise Price Per Share	Expiration Date	Potential Realizable Value (Assumes Annual Rates of Stock Price Appreciation for Option Term) 5%($)	10%($)
M. Terry Turner	15,140	8.0%	$ 14.78	April 26, 2014	$ 140,727	$ 356,630
Robert A. McCabe, Jr.	13,500	7.1%	$ 14.78	April 26, 2014	$ 125,483	$ 317,999
Hugh M. Queener	11,850	6.3%	$ 14.78	April 26, 2014	$ 110,146	$ 279,133
James E. White	4,500	2.4%	$ 12.37	Jan. 12, 2014	$ 35,007	$ 88,716
Charles B. McMahan	6,150	3.3%	$ 12.37	Jan. 12, 2014	$ 47,843	$ 121,245
Named executive officers, as a group	51,140	27.0%				
All employees, as a group	189,080	100.0%	$12.37 to $24.69	Thru Nov. 16, 2014		

All of the Company s options issued in 2004 have been issued pursuant to the 2004 Equity Incentive Plan and vest in 20% increments beginning one year from the date of grant and vest 20% each year for the following four years. Vesting for all options will be accelerated in the event of a change of control . A change of control generally means the acquisition by a person or group of 40% or more of the voting securities of the Company or the Bank; a change in the majority of the Board over a twelve month period (unless the new directors were approved by a two-thirds majority of prior directors); a merger, consolidation or reorganization in which the Company s shareholders before the merger own 50% or less of the voting power after the merger; or the sale, transfer or assignment of all or substantially all of the assets of the Company and its subsidiaries to any third party. Pursuant to the 2004 Equity Incentive Plan, options expire ten years from the grant date. All of the options were granted at exercise prices equal to the closing price of the Company s Common Stock on the date of grant.

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Aggregate Option Exercises During 2004 and Option Values at Year-End. The following table sets forth information on options granted to the above Named Executive Officers as of December 31, 2004.

Aggregate Option Exercises for the year ended December 31, 2004 and
December 31, 2004 Option Values

	Aggregate option exercises during 2004		Number of securities underlying unexercised options at December 31, 2004		Value of unexercised in-the-money options at December 31, 2004 (1)	
	Shares acquired on exercise (2)	Value Realized	Exercisable	Unexercisable	Exercisable	Unexercisable
M. Terry Turner			104,000	86,140	$ 1,835,570	$ 1,344,878
Robert A. McCabe, Jr.			103,400	82,100	1,825,988	1,293,692
Hugh M. Queener			68,000	58,850	1,198,694	900,860
James E. White			25,800	19,700	459,776	317,589
Charles B. McMahan			2,000	9,150	32,330	111,533

(1) At December 31, 2004, the closing price of the Company s common stock on the Nasdaq National Market was $22.62 per share. Value is calculated on the basis of the difference between the option exercise price and $22.62, multiplied by the number of shares of Common Stock underlying the option.

(2) No Named Executive Officers exercised any options during 2004.

EMPLOYMENT AGREEMENTS

The Company entered into a three-year employment contract with M. Terry Turner, President and Chief Executive Officer, on August 1, 2000. The agreement automatically renews for an additional day each day after March 31, 2000, so that it will always have a three-year term, unless any of the parties to the agreement gives notice of intent not to renew the agreement. Pursuant to this agreement with Mr. Turner, the Company will be obligated to pay Mr. Turner his base salary for the following terminating events:

Terminating Event	Payment Obligation In relation to Base Salary
Mr. Turner becomes permanently disabled	Maximum of six months
The Company terminates Mr. Turner s employment without cause, as defined in the agreement	End of agreement s term
Mr. Turner terminates his employment for cause, as defined	Maximum of twelve months
Mr. Turner terminates his employment within twelve months after a change of control, as defined	Three times base salary and target bonus, plus benefits

The Company entered into a three-year employment contract with Robert A. McCabe, Jr., Chairman of the Board and Chief Financial Services Officer, on August 1, 2000. The agreement automatically renews for an additional day each day after August 1, 2000, so that it will always have a three-year term, unless any of the parties to the agreement gives notice of intent not to renew the agreement. Pursuant to this agreement with Mr. McCabe, the Company will be obligated to pay Mr. McCabe his base salary under the same terms and conditions as described above under Mr. Turner s agreement for certain terminating events.

The Company entered into a three-year employment contract with Hugh M. Queener, Chief Administrative Officer, on December 4, 2000. The agreement automatically renews for an additional day each day after April 1, 2000, so that it will always have a three-year term, unless any of the parties to the agreement gives notice of intent not to renew the agreement. Pursuant to this agreement with Mr. Queener, the Company will be obligated to pay Mr. Queener his base salary under the same terms and conditions as described above under Mr. Turner s agreement for certain terminating events.

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The employment agreements set forth above for Messrs. Turner, McCabe and Queener, contain provisions that if the executive terminates his employment with the Company for cause within a year following a change of control , the executive shall be entitled to a severance payment equal to three times the executive s then current salary and target bonus. A change of control generally means the acquisition by a person or group of 40% or more of the voting securities of the Company or the Bank; a change in the majority of the Board over a twelve month period (unless the new directors were approved by a two-thirds majority of prior directors); a merger, consolidation or reorganization in which the Company s shareholders before the merger own 50% or less of the voting power after the merger; or the sale, transfer or assignment of all or substantially all of the assets of the Company and its subsidiaries to any third party. The executive will also receive three years of Company-provided health plan benefits subsequent to his termination. In addition, the executive will be indemnified by the Company for any excise tax due under Section 4999 of the Internal Revenue Code of an amount sufficient to place the executive in the same after-tax position as the executive would have been had no excise tax been imposed upon or incurred or paid by the executive.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table lists, as of February 28, 2005, the number of shares of Common Stock beneficially owned by (a) any person known to the Company who owns in excess of 5% of the outstanding shares of Common Stock, (b) each current director of the Company, (c) each Named Executive Officer listed in the Summary Compensation Table, and (d) all directors and executive officers, as a group. The information shown below is based upon information furnished to the Company by the named persons.

Name	Number of Shares Beneficially Owned **(1)(2)**	Percent of all Shares Owned **(2)**
Directors:		
Sue G. Atkinson	41,200	0.49%
Gregory L. Burns	23,886	0.28%
Colleen Conway-Welch	30,000	0.36%
Clay T. Jackson	185,058	2.16%
John E. Maupin, Jr., D.D.S	4,250	0.05%
Robert A. McCabe, Jr.	475,746	5.37%
Robert E. McNeilly, Jr.	78,556	0.93%
Dale W. Polley	78,600	0.93%
Linda E. Rebrovick	38,060	0.45%
James L. Shaub, II	80,556	0.95%
Reese L. Smith, III	88,104	1.04%
M. Terry Turner	362,668	4.14%
Named Executive Officers:		
Hugh M. Queener	225,953	2.62%
James E. White	47,275	0.56%
Charles B. McMahan	6,581	0.08%
All Directors, Named Executive and other executive officers, as a Group (17 persons)	1,856,731	18.12%

(1)

Each person is the record owner of and has sole voting and investment power with respect to his or her shares. Additionally, the address for each person listed is 211 Commerce Street Suite 300, Nashville, Tennessee 37201.

(2) For each person, these amounts include common shares outstanding plus all common shares which could be acquired from the exercise of any vested warrants or options within 60 days of February 28, 2005 (the record date for the Meeting) regardless of price. The percent of shares outstanding is computed by dividing the number of shares beneficially owned noted above by the Company s total shares outstanding plus the number of shares which could be acquired from the exercise of any vested warrants or options within 60 days of February 28, 2005 regardless of price for each particular person or group. The number of shares which could be acquired from the exercise of any vested warrants or options within 60 days of February 28, 2005 regardless of price for each particular person is as follows: Ms. Atkinson (10,000 shares); Mr. Burns (no shares); Ms. Conway-Welch (10,000 shares); Mr. Jackson (25,000 shares); Mr. Maupin (1,000 shares); Mr. McCabe (197,500 shares); Mr. McNeilly (25,000 shares); Mr. Polley (25,000 shares); Ms. Rebrovick (10,000 shares); Mr. Shaub (25,000 shares); Mr. Smith (30,000 shares); Mr. Turner (199,028 shares); Mr. Queener (116,370 shares); Mr. White (30,900 shares); Mr. McMahan (3,230 shares) and all directors and executive offices, as a group (733,448 shares).

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SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company s directors and executive officers and persons who own beneficially more than 10% of the Company s outstanding common stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in their ownership of the Company common stock. Directors, executive officers and greater than 10% shareholders are required to furnish the Company with copies of the forms they file. To our knowledge, based on a review of the copies of these reports furnished to the Company during the year ended December 31, 2004, or on written representations from certain reporting persons that no Forms 5 were required for those persons, all of our directors and executive officers, who are listed above, complied with all applicable Section 16(a) filing requirements, except that a Form 4 was not timely filed for Mr. McCabe and Mr. Jackson with respect to certain common stock purchases during 2004 and for executive officer, Mrs. Joanne Jackson, with respect to the exercise of certain common stock options during 2004. Additionally, we are not aware of any shareholders who hold more than 10% of the outstanding common stock of the Company.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company and the Bank have banking and other business transactions in the ordinary course of business with directors and officers of the Company and the Bank and their affiliates, including members of their families, corporations, partnerships or other organizations in which the directors and officers have a controlling interest. These transactions are on substantially the same terms (including price, interest rate and collateral) as those prevailing at the same time for comparable transactions with unrelated parties. In the opinion of management, these transactions do not involve more than the normal risk of collectibility or present other unfavorable features to the Company or the Bank.

Atkinson Public Relations, of which Sue G. Atkinson is chairman, provides various services for the Company subject to an agreement which was approved by the Board of the Company. For the year ended December 31, 2004, the Company incurred approximately $140,926 in expenses for services rendered by this public relations company. Also, Mr. Jackson is an officer in an insurance firm that serves as an agent in securing insurance in such areas as Pinnacle Financial s property and casualty insurance and other insurance policies.

The Company and the Bank have banking and other business transactions in the ordinary course of business with directors and officers of the Company and the Bank and their affiliates, including members of their families, corporations, partnerships and other organizations in which the directors or officers have a material interest either as an executive officer or an owner of a greater than 10 percent voting ownership interest. These transactions are on substantially the same terms (including price, interest rate and collateral) as those prevailing at the same time for comparable transactions with unrelated parties. In the opinion of management, these transactions do not involve more than the normal risk of collectibility or present other unfavorable features, except as follows. Dr. Maupin is the President and Chief Executive Officer of Meharry Medical College (Meharry). The Bank is a $1,088,485 participant in a $22,500,790 letter of credit issued by a group of banks on behalf of Meharry which has been classified by Pinnacle which therefore may involve more than the normal risk of collectibility.

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REPORT OF THE AUDIT COMMITTEE

The following is the Report of the Audit Committee regarding the Company s audited financial statements to be included in the Company s Annual Report on Form 10-K:

We have reviewed and discussed with management the Company s audited financial statements as of December 31, 2004 and 2003 and for the each of the years in the three-year period ended December 31, 2004.

We have discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants.

We have received and reviewed the written disclosures and the letter from the independent auditors required by Independence Standards Board s Standard No. 1, *Independence Discussions with Audit Committees*, as amended, by the Independence Standards Board and have discussed with the independent auditors the auditor s independence.

Based on the reviews and discussions referred to above, we recommended to the Board of Directors that the audited financial statements referred to above be included in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2004.

Dale W. Polley, Chairman
Clay T. Jackson, Member
Robert E. McNeilly, Jr., Member
Linda E. Rebrovick, Member
James L. Shaub, II, Member

The foregoing report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent the Company specifically incorporates this information by reference and shall not otherwise be deemed filed under such Acts.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

In March of 2004, the Company engaged the accounting firm of KPMG LLP (KPMG) as the auditors of the Company s December 31, 2004 consolidated financial statements. This engagement also included reviews of the Company s interim financial statements included in Quarterly Reports on Form 10-Q for 2004. The Audit Committee of the Board of the Company has approved the appointment of KPMG to serve as the Company s independent auditors for the Company for the year ending December 31, 2005. The Audit Committee considered the background, expertise and experience of the audit team assigned to the Company and various other relevant matters, including the proposed fees for audit services. A representative of KPMG will be present at the Meeting and will be given the opportunity to make a statement if he desires and will be available to respond to appropriate questions from shareholders.

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Audit Fees. During the years ended December 31, 2004 and December 31, 2003, the Company incurred the following principal independent auditor fees:

	2004	2003
Audit Fees (1)	$ 282,500	$ 88,000
Audit-Related Fees (2)	65,500	
Tax Fees	16,850	42,000
All Other Fees		
Total Fees	$ 364,850	$ 130,000

(1) Includes fees related to the annual independent audit of the Company s financial statements and reviews of the Company s annual report on Form 10-K, quarterly reports on Form 10-Q, report on management s assertion regarding internal controls.

(2) Includes fees related to services provided in connection with the Company s filing of a Registration Statement on Form S-3 during 2004 of $64,000 and fees of $1,500 related to issuance of consent on Form S-8.

The Audit Committee also has adopted a formal policy concerning approval of audit and non-audit services to be provided by the independent auditor to the Company. The policy requires that all services KPMG, the Company s independent auditor, may provide to the Company, including audit services and permitted audit-related and non-audit services, be pre-approved by the Committee. The Committee approved all audit and non-audit services provided by KPMG during fiscal 2004 prior to KPMG performing such services.

OTHER MATTERS

The Board of the Company knows of no other matters that may be brought before the Meeting. If, however, any matters other than those set forth in this proxy statement should properly come before the meeting, votes will be cast pursuant to the proxies in accordance with the best judgment of the proxy holders.

If you cannot be present in person, you are requested to complete, sign, date, and return the enclosed proxy promptly. An envelope has been provided for that purpose. No postage is required if mailed in the United States.

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GENERAL INFORMATION

Annual Report. The Company s 2004 Annual Report is being mailed to shareholders with this Proxy Statement. The Annual Report is not a part of the proxy solicitation materials.

Additional Information. A copy of the Company s Annual Report on Form 10-K for the year ended December 31, 2004, excluding certain exhibits thereto, may be obtained without charge by writing to Pinnacle Financial Partners, Inc., Attn: Chief Financial Officer, 211 Commerce Street, Suite 300, Nashville, Tennessee 37201. Also, the Company s Annual Report on Form 10-K and all quarterly Form 10-Q s for the year ended December 31, 2004 can also be accessed via the Investor Relations section of the Company s website located at *www.pnfp.com*.

By Order of the Board of Directors,

/s/ HUGH M. QUEENER
Hugh M. Queener
Corporate Secretary

March 14, 2005

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Appendix A

PINNACLE FINANCIAL PARTNERS, Inc.

Corporate Governance Guidelines

The Human Resources, Nominating and Compensation Committee of the Board of Directors has established these Corporate Governance Guidelines to provide guidance with respect to the Board s responsibilities as well as to comply with the rules of NASDAQ and good corporate governance principles. These guidelines are intended to reflect the Board s commitment to monitor the effectiveness of policy and decision making at the Board and management levels, with a view to enhancing stockholder value over the long term.

1. Director Qualifications

The Human Resources, Nominating and Compensation Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment will include members qualification as independent, as well as consideration of diversity, age, skills, and experience in the context of the needs of the Board. No director may be nominated to a new term if he or she would be age 72 or older at the time of the election.

Directors are expected to submit a letter of resignation when they experience a change in employment or file for bankruptcy protection. The Committee will review the appropriateness of continued Board membership where a director experiences a change in employment or files for bankruptcy protection.

Directors must notify the Chairman of the Board and the Chairman of the Human Resources, Nominating and Compensation Committee in advance of accepting an invitation to serve on another company s board of directors. The Human Resources, Nominating and Compensation Committee may consider whether such service may negatively affect such director s ability to serve on the Board. Generally, directors will limit the number of public company boards on which they serve to four.

No director may be renominated that failed to attend 75% of the meetings in the past year without valid excuse as determined by the Human Resources, Nominating and Compensation Committee.

In order to attract qualified candidates, the Company may purchase reasonable directors and officers liability insurance on their behalf to provide the benefits of indemnification to the fullest extent permitted by law and the Company s charter, by-laws and any indemnification agreements, and to provide exculpation as provided by state law and the Company s charter.

2. Director Nomination

Nominees for directorship will be recommended to the Board by the Human Resources, Nominating and Compensation Committee in accordance with the policies and principles in its charter. The Board will determine whether the recommended nominees will be part of the Company s nominees for director in each proxy statement for the annual meeting of shareholders and, between annual meetings, will elect new directors, upon recommendation by the Committee, to fill vacancies on the board.

3. Board Composition

The Board will have a majority of directors who meet the criteria for independence required by NASDAQ.

The Board presently has twelve members. The by-laws establish a range of five to twenty five. The Board believes that nine to fifteen members is currently the optimal size to permit diversity of experience without hindering effective discussion or diminishing individual accountability. Pursuant to the Company s charter, the number of directors shall be set by the affirmative vote of a majority of the full Board, and the Board shall be divided into three classes. Any change in the range of Board members will be reflected in the Company s by-laws. The Human Resources, Nominating and Compensation Committee shall recommend whether to increase the size of the Board or whether, in the event of a vacancy for any reason, to fill such vacancy or to reduce the size of the Board. A change in the range or number of directors requires affirmative votes of 2/3 of the then serving directors or the affirmative vote of the holders of 2/3 of the issued and outstanding shares.

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4. Term Limits

The Board does not believe it should establish term limits. Term limits result in the loss of accumulated knowledge particular to the Company and its business. Additionally, term limits may result in the loss of the most qualified individuals. As an alternative to term limits, the Human Resources, Nominating and Compensation Committee will review each director s qualifications and performance on the Board at least every three years in connection with determining Board composition and/or whether to renominate a director.

5. Director Responsibilities

The basic responsibility of the directors is to oversee the business and affairs of the Company. In the performance of their duties, the directors will exercise their business judgment to act in what they reasonably believe to be in the best interest of the Company and its shareholders. Directors may seek information, advice or opinions from the Company s officers and employees and from other advisers, consultants and experts, and may rely in good faith upon information, advice or opinions provided by such persons.

Directors shall attend at least one ISS accredited education program during their three year term.

It is generally the duty of management (i.e., the CEO or his designee) to speak for the Company. Absent unusual circumstances or as contemplated by the committee charters, Board members should communicate with third parties only at the request of the CEO.

6. Meetings

Directors should seek to attend all Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board s understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The CEO will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free at any Board meeting to raise subjects that are not on the agenda for that meeting. The Board will review the Company s long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

7. Independent Director Meetings

The independent directors will meet in executive session periodically and at least in two regularly scheduled meetings. The director who presides at these meetings shall be chosen by the independent directors, will serve until the next regularly scheduled meeting and his name will be disclosed in the annual proxy statement.

8. Board Committees

The Board will have at all times an Audit Committee and a Human Resources, Nominating and Compensation Committee. All of the members of these committees will be independent directors under the criteria established by NASDAQ and applicable law. Committee members will be appointed by the Board upon recommendation by the Human Resources, Nominating and Compensation Committee in the case of the Audit Committee and by the independent members of the Executive Committee in the case of the Human Resources, Nominating and Compensation Committee. Consideration should be given to rotating committee members periodically, but rotation is not mandated as a policy.

Additionally, the board will have a Community Affairs Committee.

Each committee will have its own written charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee s charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee s agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors.

The Board and each committee have the power to hire, and compensate, independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

9. Audit Committee Responsibilities and Qualifications

In general, the Audit Committee will oversee auditing and financial reporting matters. The Audit Committee also has the responsibilities set forth in the Audit Committee Charter and otherwise required by law, regulation or requirement of NASDAQ and shall produce an annual report of the Audit Committee for inclusion in the Company s proxy statement. The Audit Committee shall have responsibility for appointing, dismissing, overseeing and determining the compensation of the Company s external auditors. The Audit Committee will assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the Company s compliance with legal and regulatory requirements and other requirements imposed on the Company by the Board, and (3) the performance of the Company s internal audit function and independent auditors.

Each Audit Committee member must meet the enhanced independence requirements imposed by federal law and NASDAQ. Each Audit Committee member must also be financially literate, and at least one member must possess certain accounting or financial expertise as set forth in the NASDAQ rules. The Chairman of the Audit Committee will have an accounting background and financial management expertise.

10. Human Resources, Nominating and Compensation Committee Responsibilities and Qualifications

The Human Resources, Nominating and Compensation Committee has the responsibilities set forth in the Human Resources, Nominating and Compensation Committee Charter. The Human Resources, Nominating and Compensation Committee will assist the Board in (1) approving and evaluating the compensation of directors and officers, (2) establishing strategies and compensation policies and programs for employees of the Company to provide incentives for delivery of value to the Company s shareholders, (3) establishing policies to hire and retain senior executives, with the objective of aligning the compensation of senior management with the business of the Company and the interests of the Company s shareholders, (4) ensuring that the compensation policies of the Company meet or exceed all legal and regulatory requirements and any other requirements imposed on the Company by the Board and (5) producing an annual report on executive compensation for inclusion in the Company s proxy statement.

Additionally, the Human Resources, Nominating and Compensation Committee will (1) identify individuals qualified to become board members, (2) select or recommend to the Board for selection, director nominees for the Company s next annual shareholders meeting and (3) develop and recommend to the board corporate governance principles applicable to the Company.

Each member of the Human Resources, Nominating and Compensation Committee must meet the independence requirements imposed by NASDAQ.

11. Director Access to Officers and Employees

To the extent appropriate for the discharge of their oversight function, directors may have full and free access to officers and employees of the Company. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will copy the CEO on any written communications between a director and an officer or employee of the Company, unless the circumstances would render copying the CEO inappropriate. All information provided by the Company or Company personnel to a director should be considered confidential unless it has been publicly disclosed by the Company.

Executive officers of the Company are encouraged to regularly attend Board meetings. If the CEO wishes to have additional Company personnel attend on a regular basis, this suggestion should be brought to the Board for approval.

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12. Director Compensation

The Company may compensate members of the Audit Committee only for services rendered as a member of the Board or as a Board committee member. The Company will not compensate employee members of the Board for service on the Board or a Board committee.

Compensation for directors should be competitive with similarly situated companies. The form and amount of director compensation will be determined by the Human Resources, Nominating and Compensation Committee in accordance with the policies and principles set forth in its charter, and the Human Resources, Nominating and Compensation Committee will conduct an annual review of director compensation. The Human Resources, Nominating and Compensation Committee is entitled to take into consideration that directors independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

The Human Resources, Nominating and Compensation Committee will review the form and amounts of Board compensation annually to ensure its competitiveness with other companies and its effectiveness in attracting qualified members.

13. Director Orientation and Continuing Education

All new directors must participate in the Company s director orientation program, which should be conducted within two months of election of a new director. This orientation will include presentations by senior management to familiarize new directors with the Company s strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. Directors are expected to attend at least one developmental seminar during their three-year term and meet any applicable requirements for continuing education promulgated by NASDAQ.

14. CEO Evaluation and Management Succession

The Human Resources, Nominating and Compensation Committee will conduct an annual review of the CEO s performance, as set forth in its charter. The Human Resources, Nominating and Compensation Committee will consider, among other things, the goals set for the CEO and their achievement. The Board of Directors will review the Human Resources, Nominating and Compensation Committee s report in order to ensure that the CEO is providing the best leadership for the Company in the long- and short-term.

The Human Resources, Nominating and Compensation Committee should make an annual report to the Board on succession planning. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

15. Annual Performance Evaluation

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are effective. The Human Resources, Nominating and Compensation Committee will receive comments from all directors, which have been submitted to the legal counsel to the committee and will report annually to the Board with an assessment of the Board s performance. This will be discussed with the full Board annually. The assessment will focus on the Board s contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

16. Maintenance of Guidelines

The Human Resources, Nominating and Compensation Committee will review these Corporate Governance Guidelines annually and recommend changes to the Board. The Board will determine the changes to be made to these Corporate Governance Guidelines based upon those recommendations. In the case of any conflict between these Guidelines and the Charter, Bylaws, or Committee Charters of any Board Committee, the Charter, Bylaws, and/or Committee Charter, as the case may be, shall be controlling.

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17. Publication of Corporate Governance Matters

The Company publishes on its web site (1) these Corporate Governance Guidelines, (2) the Audit Committee Charter, (3) the Human Resources, Nominating and Compensation Committee Charter, and (4) the Code of Business Conduct & Ethics. In addition, these documents are available to any shareholder of the Company who makes a request to the Secretary of the Company.

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Appendix B

**FIRST AMENDMENT TO PINNACLE FINANCIAL PARTNERS, INC.
2004 EQUITY INCENTIVE PLAN**

WHEREAS, the Board of Directors and shareholders of Pinnacle Financial Partners, Inc., a Tennessee corporation (the Company), have previously adopted the 2004 Equity Incentive Plan (the Plan);

WHEREAS, pursuant to Section 13.1 of the Plan, the Company s Board of Directors has retained the right to amend the Plan; and

WHEREAS, the Company s Board of Directors now desires to amend the Plan;

NOW, THEREFORE, IN CONSIDERATION of the premises and by resolution of the Company s Board of Directors, the Plan is hereby amended as follows:

1. The second sentence of Section 1 is deleted in its entirety and replaced with the following:

The purpose of the Plan is to promote the interests of Pinnacle Financial Partners, Inc., a Tennessee corporation (the Company), and its shareholders by (i) attracting and retaining Associates and Directors of the Company and its Subsidiaries and Affiliates; (ii) motivating such individuals by means of performance-related incentives to achieve long-range performance goals, (iii) enabling such individuals to participate in the long-term growth and financial success of the Company, (iv) encouraging ownership of stock in the Company by such individuals, and (v) linking their compensation to the long-term interests of the Company and its shareholders.

2. Paragraph (q) of Section 2 is deleted in its entirety and replaced with the following:

(q) NON-QUALIFIED STOCK OPTION shall mean an option to purchase Shares from the Company that is granted under Sections 6 or 10 of the Plan and is not intended to be an Incentive Stock Option.

3. Paragraph (u) of Section 2 is deleted in its entirety and replaced with the following:

(u) OTHER STOCK-BASED AWARD shall mean any Award granted under Sections 9 or 10 of the Plan.

4. Paragraph (w) of Section 2 is deleted in its entirety and replaced with the following:

(w) PARTICIPANT shall mean any Associate, Director or other person who receives an Award under the Plan.

5. Paragraph (dd) of Section 2 is deleted in its entirety and replaced with the following:

(dd) RESTRICTED SHARE shall mean any Share granted under Sections 7 or 10 of the Plan.

6. Paragraph (ee) of Section 2 is deleted in its entirety and replaced with the following:

(ee) RESTRICTED SHARE UNIT shall mean any unit granted under Sections 7 or 10 of the Plan.

7. Paragraph (kk) of Section 2 is deleted in its entirety and replaced with the following:

(kk) STOCK APPRECIATION RIGHT OR SAR shall mean a stock appreciation right granted under Sections 6 or 10 of the Plan that entitles the holder to receive, with respect to each Share encompassed by the exercise of such SAR, the amount, in cash or Shares, determined by the Committee and specified in an Award Agreement. In the absence of such a determination, the holder shall be entitled to receive, with respect to each Share encompassed by the exercise of such SAR, the excess of the Fair Market Value on the date of exercise over the Fair Market Value on the date of grant.

8. Paragraph (nn) of Section 2 is deleted in its entirety and replaced with the following:

(nn) TANDEM SAR shall mean an SAR that is granted under Sections 6 or 10 of the Plan in relation to a particular Option and that can be exercised only upon the surrender to the Company, unexercised, of that portion of the Option to which the SAR relates.

9. The first sentence of Section 3.1 is deleted in its entirety and replaced with the following:

The Plan shall be administered by the Committee, which shall be appointed by and serve at the pleasure of the Board; provided, however, with respect to Awards to Outside Directors, all references in the Plan to the Committee shall be deemed to be references to the Board.

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10. The first sentence of Section 4.1 is deleted in its entirety and replaced with the following:

Subject to the provisions of Section 4.2 hereof, the stock to be subject to Awards under the Plan shall be the Shares of the Company and the maximum number of Shares with respect to which Awards may be granted under the Plan shall be 781,960 which includes 31,960 shares with respect to awards which were authorized but not granted under the Pinnacle Financial Partners, Inc. 2000 Stock Incentive Plan (the 2000 Plan) .

11. The first sentence of Section 5 is deleted in its entirety and replaced with the following:

Any Associate or Director shall be eligible to be designated a Participant; provided, however, that Outside Directors shall only be eligible to receive Awards granted consistent with Section 10.

12. The first sentence of Section 8.4(a) is deleted in its entirety and replaced with the following:

Associates who are in strategic leadership positions and Directors shall be eligible to receive Performance Share Awards.

13. The first sentence of Section 8.5(a) is deleted in its entirety and replaced with the following:

Associates who are in strategic leadership positions and Directors shall be eligible to receive Performance Unit Awards.

14. A new Section 10 is hereby added as follows:

SECTION 10. NON-EMPLOYEE DIRECTOR AND OUTSIDE DIRECTOR AWARDS

10.1 The Board may provide that all or a portion of a Non-Employee Director s annual retainer, meeting fees and/or other awards or compensation as determined by the Board, be payable (either automatically or at the election of a Non-Employee Director) in the form of Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Shares, Restricted Share Units, Performance Shares, Performance Units and/or Other Stock-Based Awards, including unrestricted Shares. The Board shall determine the terms and conditions of any such Awards, including the terms and conditions which shall apply upon a termination of the Non-Employee Director s service as a member of the Board, and shall have full power and authority in its discretion to administer such Awards, subject to the terms of the Plan and applicable law.

10.2 The Board may also grant Awards to Outside Directors pursuant to the terms of the Plan, including any Award described in Sections 6, 7, 8 and 9 above. With respect to such Awards, all references in the Plan to the Committee shall be deemed to be references to the Board.

15. Section 10 of the Plan is hereby renumbered as Section 11 with the subsequent sections of the Plan being renumbered accordingly and the corresponding changes being made to the section cross-references in the Plan.

16. Except as expressly stated herein, all other portions of the Plan remain in full force and effect.

17. This First Amendment to the Pinnacle Financial Partners, Inc. 2004 Equity Incentive Plan is effective this 19th day of April 2005; provided it has been approved by the Company s Board of Directors and the Company s shareholders.

PINNACLE FINANCIAL PARTNERS, INC.

By:

Name:

Title:

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Appendix C

PROXY

PINNACLE FINANCIAL PARTNERS, INC.
SOLICITED BY THE BOARD OF DIRECTORS
FOR THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 19, 2005

The undersigned hereby appoints Robert A. McCabe, Jr. or M. Terry Turner or either of them, as Proxies, each with the power to appoint his substitute, and hereby authorizes them or either of them to represent and to vote, as designated below, all of the common stock of Pinnacle Financial Partners, Inc., which the undersigned would be entitled to vote if personally present at the annual meeting of shareholders to be held at Pinnacle Financial Partners offices at 211 Commerce Street Suite 100, Nashville, Tennessee 37201 and at any adjournments of the annual meeting, upon the proposal described in the accompanying Notice of the Annual Meeting and the Proxy Statement relating to the annual meeting, receipt of which are hereby acknowledged.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE PROPOSALS.

PROPOSAL #1: To elect the three (3) persons listed below to serve as Class II Directors of Pinnacle Financial Partners, Inc. for a three-year term:

John E. Maupin, Jr., D.D.S.
Robert A. McCabe, Jr.
Linda E. Rebrovick

o ***FOR*** all nominees listed above	o ***WITHHOLD*** authority to vote on all nominees listed above	o ***FOR ALL EXCEPT*** - See instruction below

INSTRUCTION: To withhold authority for any individual nominee, mark For All Except above, and write the names of the nominees for which you do NOT wish to vote FOR in the space below.

PROPOSAL #2: To amend the Amended and Restated Charter to increase the number of authorized shares of capital stock from 30,000,000 to 50,000,000.

o ***FOR*** o ***AGAINST*** o ***ABSTAIN***

PROPOSAL #3: To adopt the amendment to the Pinnacle Financial Partners, Inc. 2004 Equity Incentive Plan.

o ***FOR*** o ***AGAINST*** o ***ABSTAIN***

* * * * * * * *

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED

SHAREHOLDER. IF NO DIRECTION TO THE CONTRARY IS INDICATED, IT WILL BE VOTED **FOR** THE PROPOSAL.

DISCRETIONARY AUTHORITY IS HEREBY CONFERRED AS TO ALL OTHER MATTERS WHICH MAY COME BEFORE THE ANNUAL MEETING.

If stock is held in the name of more than one person, all holders must sign. Signatures should correspond exactly with the name or names appearing on the stock certificate(s). When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership or limited liability company, please sign in such name by authorized person.

______________________	______________________	______________________
Signature(s) of Shareholder(s)	Please print name of Shareholder(s)	Date: __________, 2005 *(be sure to date your proxy)*

I WILL _________ WILL NOT _________ ATTEND THE ANNUAL MEETING OF SHAREHOLDERS.

PLEASE MARK, SIGN AND DATE THIS PROXY, AND RETURN IT IN THE ENCLOSED RETURN-ADDRESSED ENVELOPE AS SOON AS POSSIBLE. NO POSTAGE NECESSARY. THANK YOU.