

**City of Los Angeles
Responsible Banking & Investment Monitoring Program
For Investment Banks**

Investment banks providing City investment banking services or seeking City investment banking business must complete and submit this form no later than July 1st of each year to the City Administrative Officer to comply with Chapter 5.1, Section 20.95.1 of the Los Angeles Administrative Code.

Contact Information:

FHN Financial Capital Markets, a division of First Horizon Bank

Name of Financial Institution

845 Crossover Lane, Suite 150 Memphis TN 38117

Street Address

City

State

Zip Code

Ajay Thomas, Executive Vice President and Head of Public Finance

Contact Person Name and Title

512-813-7662

ajay.thomas@fhfinancial.com

Telephone No.

Email Address

SOCIAL RESPONSIBILITY

Please answer the following questions for the preceding calendar year.

1. Did your firm make monetary donations to charitable programs within the City limits?

Yes No

If yes, please complete the attached form, labeled at Exhibit 1.

2. Did your firm provide any scholarship awards to residents of the City of Los Angeles?

Yes No

- a. How many scholarships were awarded? NA
b. What was the total value of the awarded scholarships? NA

3. Does your firm have internal policies regarding utilization of subcontractors which are designated as "women owned," "minority owned," or "disabled" business enterprises? Yes No

If yes, please provide a copy of your policies, labeled as Exhibit 2

CONSUMER PROTECTION

1. Is the financial institution currently in compliance with all applicable consumer financial protection laws?

Yes No

If no, please briefly explain: _____

2. Does the financial institution have policies to prevent the use of illegal predatory consumer adverse sales goals as the bases for evaluation, promotion, discipline or compensation of employees?

Yes No

If no, please briefly explain: _____

3. Does the financial institution encourage and maintain whistleblower protection policies for its employees and/or customers to report suspected illegal practices, including predatory sales goals?

Yes No

If no, please briefly explain: _____

4. In the last five years, has the financial institution been subject to any disciplinary actions such as fines, suspensions, or settlements, undertaken by the Securities and Exchange Commission, the Consumer Financial Protection Bureau, the Municipal Securities Regulation Board, the Financial Industry Regulatory Agency and/or any State regulatory agency?

Yes No

5. If the answer to question no. 4 is yes, please provide in separate attachment labeled Exhibit 3, what the violation(s) are, the reason for the enforcement action, what government agencies are involved, the date of the enforcement action, what is the current status, and how were or will the issues be resolved?

CERTIFICATION UNDER PENALTY OF PERJURY (*)

I certify under penalty of perjury that I have read and understand the questions contained in this form and the responses contained in the form and on all the attachments. I further certify that I have provided full and complete answers to each question, and that all information provided in response to this form is true and accurate to the best of my knowledge and belief.

Ajay Thomas	EVP, Head of Public Finance		9/1/2020
Print Name	Title	Signature	Date

(*) Signature must be that of the Head of Public Finance or equivalent corporate executive.

PLEASE SEND THE ORIGINAL SIGNED FORM TO THE ADDRESS BELOW AND EMAIL A COPY TO CAO.DEBT@LACITY.ORG.

**Office of the City Administrative Officer
200 North Main St. Room 1500
Los Angeles, CA 90012
Attention: Debt Management Group**

Exhibit 2 - First Horizon Bank Internal Procurement Policy

MANAGEMENT APPROVED POLICY

Procurement Policy

Latest revision date

03/01/18

Latest review/approval date

03/01/18

Effective date

03/01/18

Review frequency

3 Year Cycle

Related policies

- [Travel and Entertainment Policy](#)

Related documents

- [Travel and Entertainment Procedures](#)

I. General Statement of Policy

Overview

Corporate Procurement will be utilized in the acquisition of all goods, services, technology, and equipment where FHNC funds are to be expended or procurement related contracts executed on behalf of FHNC.

Corporate Properties will be utilized in the acquisition and/or sale of land, facilities leases, and facilities construction contracts. Corporate Properties and Corporate Procurement will work jointly in acquisition of other goods and services.

II. Implementation of Policy

II.A Corporate Procurement Functional Responsibility

Corporate Procurement shall have responsibility for managing the relationships with FHNC vendors and service providers. Corporate Procurement will work in collaboration with all FHNC internal and external stakeholders as appropriate. General functions, shall include, but are not limited to:

- Supply Management
 - Lead cross-functional teams to identify, qualify, and implement processes with existing and new vendors for improved total cost of ownership.
 - Manage strategic sourcing initiatives to meet business line and corporate objectives, deliver cost savings, improve efficiency, and ensure overall vendor value delivery.
 - Lead negotiations with vendors for the procurement of goods and/or services.
 - Serve as primary vendor relationship manager in conjunction with business process owner for all vendors and service providers.
 - Facilitate communications between business lines and vendor community to foster innovation in offerings, business processes, and benchmarking, that result in greater quality and efficiency.
 - Enhance and maintain controls to protect FHNC's customer data, reputation, and adhere to regulatory requirements.
 - Foster performance improvement from vendor and internal customers.
 - Manage vendor relationships in accordance with strategic objectives.

- Lead contract administration function for the company.
- Provide spend analytics for procurement-related spend.

- Procurement Operations
 - Manage tactical procurement.
 - Manage procurement systems, including but not limited to catalog development and maintenance, order management, invoice reconciliation, and end-user support.
 - Coordinate corporate travel and expense management processes.
 - Manage vendor invoice review and reconciliation process.

II.B Supplier Selection and Engagement

B.1 Business Requirements

Corporate Procurement shall work in collaboration with all internal stakeholders in defining requirements and needs with the focus of delivering the best value to the business, while minimizing risk to FHNC. Corporate Procurement shall provide information, recommendations, support and analysis to the respective stakeholders with the understanding that the primary stakeholder has responsibility for defining the internal needs and desired business result. Corporate Procurement shall have the responsibility of representing FHNC in a fair and impartial manner to the supplier community.

B.2 Approved Suppliers

Subject to the De Minimis Exclusion described in Appendix A, all suppliers of goods and services to FHNC shall be approved by Corporate Procurement prior to any contract execution or funds expenditure.

Corporate Procurement will work closely with Enterprise Risk Management to coordinate any needed due diligence for risk management purposes prior to engagement of the supplier.

B.3 Strategic Sourcing

Corporate Procurement may use various strategic sourcing tools during the supplier selection process. Corporate Procurement, in conjunction with appropriate stakeholders, shall determine the appropriate sourcing strategy.

Strategic Sourcing involves the process of market competition for the selection of goods, services and technology that may be required to meet the needs of FHNC. Generally, market competition is the best means for achieving the best overall cost of ownership for FHNC. Traditional strategic sourcing may include, but not be limited to, any of the following tools:

- Request for Quote ("**RFQ**") - RFQ is typically used for infrequent or one time purchases, where standard off the shelf items may be procured. RFQ is generally used where price is the main factor that will be used to select the supplier.
- Request for Proposal ("**RFP**") – RFP is a process seeking a proposal from a vendor on how to solve a particular business need. The proposal will generally include a recommended strategy and proposed pricing for the good and/or service.
- Request for Information ("**RFI**") – RFI is a process seeking information for a potential need and evaluating potential supplier's capability for a specific set of goods or services. Generally, the information obtained from suppliers in the RFI process is used for further development of an RFQ or RFP.

Corporate Procurement shall maintain documentation, as appropriate, for competitive sourcing events.

B.4 Supplier Diversity

FHNC is committed to enhance our diverse supplier base. This commitment shall include Minority owned, Women owned, Disadvantaged and Veteran Business Enterprises ("MWDVBE"). FHNC's practice of including these diverse businesses in the sourcing process will make FHNC more competitive by including fresh and varied viewpoints into our business processes, while representing our customers, shareholders and the communities in which we operate.

A diverse supplier shall be registered and certified by a national organization, designating the organization as an MWDVBE enterprise. Alternately, FHNC may certify a supplier as diverse, with appropriate due diligence.

B.5 Contract Development

FHNC Legal, Corporate Procurement, Enterprise Risk Management, and Corporate Properties shall collaboratively develop and maintain FHNC contracting standards, with appropriate contract language.

Generally, no supplier should begin work for FHNC without having executed an approved Non-Disclosure Agreement ("**NDA**") and Contract with FHNC. In situations where a supplier, acting as a reseller, provides various goods to FHNC, without having access to any FHNC confidential information, a NDA and/or contract may not be required.

A NDA shall be required for release of any information by FHNC personnel related to any vendor evaluation or collaboration where FHN confidential information shall be shared with the supplier or supplier's representative. Due to the sensitivity of FHNC's confidential information, FHNC prefers using FHNC's standard NDA template documents. In some instances however, appropriate confidentiality language may be embedded within the contract, in lieu of a separate NDA. Exceptions may only be made by Corporate Procurement and/or FHNC Legal.

The specific type of contract document required is product or service specific. Generally speaking, the contract will include topics such as deliverables, timing, costs, payment terms, and risk mitigation provisions.

B.6 Approvals, Non-facilities Related

Corporate Procurement shall identify the required approvers and seek to obtain the appropriate approvals prior to contract execution. More specifically:

- Except as otherwise provided for herein, Chief Procurement Officer approval is required prior to execution of any supplier related contract for the procurement of goods and/or services.
- Business line approval is required prior to execution of any supplier related contract, affecting that business line. More specifically:
 - Line Managers may approve contracts and/or purchases with spend up to \$10,000.
 - Direct reports of EMC members may approve contracts and/or purchases up to \$50,000.
 - Investment Review Board ("IRB") approval is required when the total project related expense is greater than \$250k over the five-year project proforma. (Total Project expenses only; not total P&L impact, which includes benefits.);
- Chief Information Officer ("CIO") approval is required prior to execution of any supplier related contract involving the purchase or use of technology, the release of customer information to the supplier, or the outsourcing of any information related service to a third party.
- Based on the risk profile of any contract, approval from other stakeholders including Legal, Information Technology, Information Security, Business Continuity, Corporate Risk Management, Enterprise Project Services, etc., may be required.
- EMC member approval is required for any contract and/or purchase, not previously approved by IRB, where the value of the contract is or may be greater than \$50,000. Separate EMC member approval is

not required for low risk contracts and/or purchases associated with projects approved by IRB. Notwithstanding the preceding sentence, Corporate Procurement may escalate the approval of any contract and/or purchase to EMC members as may be deemed proper, based on risk factors.

- CFO approval is required for any contract for projects not previously approved by IRB, where the value of the contract is or may be greater than \$1,000,000. CFO approval is not required for projects approved by IRB.

Approvals for the purchase of goods through the P2P system will follow the approval hierarchy developed within the system.

Approval for contract execution includes the approver's implied consent for payment of invoices associated with the contract, subject to acceptance criteria that may be included in the contract.

B.7 Approvals, Facilities Related

Corporate Properties shall identify the required approvers and seek to obtain the appropriate approvals for all facilities related projects. More specifically:

- Cost center manager approval is required for all projects less than \$5,000.
- SVP level Department Manager approval is required for projects between \$5,000 and \$100,000.
- All projects, with the exception of budgeted maintenance projects, greater than \$100,000 must be approved by the FHNC CFO.
- All non-budgeted facilities related projects for the Banking Group, must be approved by the CFO of the Banking Group, regardless of value.
- All non-budgeted facilities related projects for the Banking group greater than \$100,000 must be approved by the President & COO of the Bank.
- All projects greater than \$5,000,000 must be approved by the FHNC CEO.
- Emergency repairs to restore critical functions and/or mitigate further facilities damages may be approved by the Head of Corporate Properties, without additional approvals.
- Budgeted facilities related maintenance projects must be approved by the Head of Corporate Properties.
- Permanent closing of facilities must be approved by the Bank President & COO and/or the FHNC CFO, after which the Head of Corporate Properties may approve any needed contracts to facilitate such closure, without additional approvals.

B.8 Contract Execution

- Except as otherwise provided for herein, contracts for the purchase of goods and/or services shall only be executed by the Chief Procurement Officer or other officers of the company as may be specifically authorized by the Chief Procurement Officer.
- Contracts for the purchase of facilities maintenance services may be executed by the Chief Procurement Officer, the Head of Corporate Properties, or other officers of the company as may be specifically authorized by the Head of Corporate Properties.
- Contracts for the purchase or sale of land, facilities leases, and facilities construction shall only be executed by the Head of Corporate Properties or other officers of the company as may be specifically authorized by the Head of Corporate Properties.

B.9 Limited Supplier Selection and Engagement Exception

- Notwithstanding the requirements in Sections B.1 through B.7, members of the Executive Management Committee ("EMC") may execute supplier related contracts without Corporate Procurement review or approval, provided however, that the EMC member provide a copy of the fully executed contract to the Chief Procurement Officer.
- Notwithstanding the requirements in Section B.8, the CEO and CFO and/or their respective designees, may execute contracts for the purchase or sale of land, facilities leases, and facilities construction, provided however, a copy of any executed lease is provided to Corporate Properties for proper tracking.

Exceptions

Certain goods and/or services are excluded from this Corporate Procurement Policy, as further described in Appendix A.

Any exceptions to this Policy may only be approved by the Chief Procurement Officer, with final approval by the EMC member heading the Operational Risk Committee. Approved policy exceptions will be reported to the Operational Risk Committee. Material Policy violations will be reported to the Operational Risk Committee.

III. Delegation of Authority

This Corporate Procurement Policy is subject to governance of the Operational Risk Committee, through the Information Technology Vendor Management Risk Committee ("ITVMR").

This Policy shall apply to all employees, divisions, and affiliates of FHNC.

Appendix A

Exclusions from Corporate Procurement Policy

<u>Excluded Item or Category</u>	<u>Responsible Party</u>
<ul style="list-style-type: none"> Employee Benefit Plans 	FHNC Human Resources Department
<ul style="list-style-type: none"> Legal Services, including but not limited to mergers and acquisitions or other confidential transactions, director transactions, underwriting agreements, proxies, 8-Ks, fiduciary transactions, EDGARizations 	FHNC Legal Department
<ul style="list-style-type: none"> Insurance Policies 	FHNC Enterprise Risk Management
<ul style="list-style-type: none"> Investment Products and Securities 	FHNC Treasury
<ul style="list-style-type: none"> Securitized Loan Products 	FTB Business Line Executive
<ul style="list-style-type: none"> Real Estate Appraisers 	FTB Chief Appraiser
<ul style="list-style-type: none"> OREO and OREO maintenance. 	Loan Rehab-Special Assets Business Line Executive
<ul style="list-style-type: none"> Services necessary for FTN Financial' s high priority systems and server rooms to remain operable during non-routine situations. 	FTN Financial
<ul style="list-style-type: none"> Items required for establishment or operation of FTN Financial Offices in off-shore locations. 	FTN Financial
<ul style="list-style-type: none"> Certain <u>one-time</u> purchases with de minimis value (<\$50,000.00) may be made directly by lines of business, without Corporate Procurement involvement (the "De Minimis Exclusion"). Certain purchases are not included in the De Minimis Exclusion and must always go through Corporate Procurement or Corporate Properties, regardless of value, including: <ul style="list-style-type: none"> Goods and/or services where FHNC's confidential information, will be provided to the vendor. IT related purchases, including but not limited to IT hardware, software, services, accessories, maintenance renewals, etc. Commodity items included in FHNC P2P catalogs. Land, facilities leases, and facilities construction contracts. 	FHNC Lines of Business