

FULTON FINANCIAL CORP
Form DEF 14A
March 24, 2015

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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- | | | | |
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| <input type="checkbox"/> | Preliminary Proxy Statement | <input type="checkbox"/> | Soliciting Material Under Rule 14a-12 |
| <input type="checkbox"/> | Confidential, For Use of the
Commission Only (as permitted
by Rule 14a-6(e)(2)) | | |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement | | |
| <input type="checkbox"/> | Definitive Additional Materials | | |

FULTON FINANCIAL CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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-

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**P.O. Box 4887
One Penn Square
Lancaster, Pennsylvania 17604**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD
TUESDAY, MAY 5, 2015 AT 10:00 A.M.**

TO THE SHAREHOLDERS OF FULTON FINANCIAL CORPORATION:

NOTICE IS HEREBY GIVEN that, pursuant to the call of its directors, the Annual Meeting of the shareholders of FULTON FINANCIAL CORPORATION (Fulton) will be held on Tuesday, May 5, 2015, at 10:00 a.m., at the Lancaster Marriott at Penn Square, 25 South Queen Street, Lancaster, Pennsylvania, for the purpose of considering and voting upon the following matters:

1. ELECTION OF DIRECTORS. The election of eleven (11) directors to serve for one-year terms;
2. EXECUTIVE COMPENSATION PROPOSAL. A non-binding say on pay (Say-on-Pay) resolution to approve the compensation of the named executive officers;
3. RATIFICATION OF INDEPENDENT AUDITOR. The ratification of the appointment of KPMG LLP as Fulton s independent auditor for the fiscal year ending December 31, 2015; and
4. OTHER BUSINESS. Such other business as may properly be brought before the meeting and any adjournments thereof.

Only those shareholders of record at the close of business on February 27, 2015, shall be entitled to be given notice of, to attend and to vote at, the meeting. Please take a moment now to cast your vote over the Internet or by telephone in accordance with the instructions set forth on the enclosed proxy card, or, alternatively, if you received paper copies of the Proxy Statement and proxy card, to complete, sign and date the enclosed proxy card and return it in the postage-paid envelope provided. Shareholders attending the Annual Meeting in person may vote in person, even if they have previously voted by proxy.

Voting via the Internet or by telephone is fast and convenient, and your vote is immediately tabulated and confirmed. Your Proxy is revocable and may be withdrawn at any time before it is voted at the meeting. **You are cordially invited to attend the meeting. If you plan on attending, please RSVP that you will attend using the enclosed postcard.**

A copy of Fulton s Annual Report on Form 10-K is also enclosed.

Sincerely,
Daniel R. Stolzer
Corporate Secretary

Enclosures
March 24, 2015

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PROXY STATEMENT

Dated and To Be Mailed on or about: March 24, 2015

**P.O. Box 4887, One Penn Square
Lancaster, Pennsylvania 17604
(717) 291-2411**

ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 5, 2015 AT 10:00 A.M.

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ANNUAL MEETING SUMMARY

The annual meeting of the shareholders of Fulton (the Annual Meeting) for 2015 will be held on Tuesday, May 5, 2015, at 10:00 a.m., at the Lancaster Marriott at Penn Square, 25 South Queen Street, Lancaster, Pennsylvania. The Board of Directors has approved an agenda consisting of four items for the Annual Meeting, as described in the meeting notice and in more detail herein.

The Board of Directors recommends that shareholders vote FOR the election of the eleven (11) director nominees identified in this Proxy Statement, FOR the approval of the non-binding Say-on-Pay resolution to approve the compensation of the named executive officers and FOR the ratification of the appointment of KPMG LLP as Fulton's independent auditor for the fiscal year ending December 31, 2015. Fulton encourages you to vote your shares in advance of the Annual Meeting either by voting via the Internet (www.proxyvote.com), voting by telephone (see instructions on the enclosed Proxy Card) or, if you received paper copies of the Proxy Statement and proxy card, by returning your proxy card by mail so that your shares will be represented and voted at the Annual Meeting if you cannot attend in person and are eligible to vote.

Voting via the Internet or by telephone is fast and convenient, and your vote is immediately tabulated and confirmed. Please see the Internet and telephone voting instructions on the proxy card for more details.

If you would like to reduce the costs incurred by Fulton in mailing proxy material, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please go to www.proxyvote.com and have your proxy card in hand when you access the website, then follow the instructions at www.proxyvote.com to obtain your records and to create an electronic voting instruction form. Follow the instructions for voting by Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

GENERAL

Introduction

Fulton Financial Corporation, a Pennsylvania business corporation and registered financial holding company, was organized pursuant to a plan of reorganization adopted by Fulton Bank and implemented on June 30, 1982. On that date, Fulton Bank became a wholly owned subsidiary of Fulton, and the shareholders of Fulton Bank became shareholders of Fulton. Since that time, Fulton has acquired other banks, Fulton Bank adopted a national charter, and today Fulton owns the following community banks: FNB Bank, N.A., Fulton Bank, N.A., Fulton Bank of New Jersey, Lafayette Ambassador Bank, Swineford National Bank and The Columbia Bank.

In addition, Fulton has several other direct subsidiaries, including: Fulton Insurance Services Group, Inc. (which operates an insurance agency selling life insurance and related insurance products); Fulton Financial Realty Company (which owns or leases certain properties on which branch and operational facilities are located); Fulton Reinsurance Company, Ltd. (which reinsures credit life, health and accident insurance that is directly related to extensions of credit by subsidiary banks of Fulton); Central Pennsylvania Financial Corp. (which owns, directly or indirectly, certain limited partnership interests, principally in low- to moderate-income and elderly housing projects); and FFC Management, Inc. (which holds certain investment securities and corporate-owned life insurance policies).

RSVP, Date, Time and Place of Meeting

The Annual Meeting will be held on Tuesday, May 5, 2015, at 10:00 a.m., at the Lancaster Marriott at Penn Square, 25 South Queen Street, Lancaster, Pennsylvania.

You are cordially invited to attend the Annual Meeting. In order for Fulton to plan and prepare for the proper number of shareholders, if you plan on attending, **please RSVP and confirm that you will attend by completing and returning the postcard enclosed. Light refreshments will be available starting at 9:00 a.m., and the business meeting will start promptly at 10:00 a.m.** Shareholders are encouraged to arrive early. Public parking is available in downtown Lancaster. For a list of parking locations, please consult the Lancaster Parking Authority website at www.lancasterparkingauthority.com, or consult the information in the Annual Meeting Invitation and Reservation Form.

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Each shareholder may be asked to present valid picture identification, such as a driver's license, and proof of share ownership, such as a copy of a brokerage statement or a copy of your ballot. Large bags, cameras, cell phones, recording devices and other electronic devices will not be permitted at the Annual Meeting, and individuals not complying with this request are subject to dismissal from the Annual Meeting. In the event of an adjournment, postponement or emergency that may change the Annual Meeting's time, date, or location, Fulton will make an announcement, issue a press release or post information at www.fult.com to notify shareholders as appropriate. The information on our website is not part of this Proxy Statement. References to Fulton's website in this Proxy Statement are intended to serve as inactive textual references only.

This Proxy Statement relates to the Annual Meeting of shareholders to be held on Tuesday, May 5, 2015 at 10:00 a.m. Attendance at the Annual Meeting will be limited to shareholders of record at the close of business on February 27, 2015 (the Record Date), their authorized representatives and guests of Fulton.

Shareholders Entitled to Vote and Attend Meeting

Only those shareholders of record as of the Record Date shall be entitled to receive notice of, attend, and vote at, the Annual Meeting.

Purpose of Meeting

Fulton shareholders will be asked to consider and vote upon the following matters at the Annual Meeting: (i) the election of eleven (11) directors to serve for one-year terms; (ii) the non-binding Say-on-Pay resolution to approve the compensation of the named executive officers; (iii) the ratification of the appointment of KPMG LLP as Fulton's independent auditor for the fiscal year ending December 31, 2015; and (iv) such other business as may be properly brought before the Annual Meeting and any adjournments thereof.

Solicitation of Proxies

This Proxy Statement is furnished in connection with the solicitation of proxies, in the accompanying form, by the Board of Directors of Fulton for use at the Annual Meeting to be held at 10:00 a.m. on Tuesday, May 5, 2015, and any adjournments or postponements thereof. Fulton is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing the notices and these proxy materials and soliciting votes. In addition to the mailing of the notices and these proxy materials, the solicitation of proxies or votes may be made in person, by mail, telephone or by electronic communication by Fulton's directors, officers and employees, who will not receive any additional compensation for such solicitation activities. Fulton has engaged Laurel Hill Advisory Group, LLC, to aid in the solicitation of proxies in order to assure a sufficient return of votes on the proposals to be presented at the Annual Meeting. The fee for such services is estimated at \$7,000, plus reimbursement for reasonable research, distribution and mailing costs.

Arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons, and Fulton will reimburse them for reasonable out-of-pocket expenses incurred by them in connection therewith.

Revocability and Voting of Proxies

The execution and return of the enclosed proxy card, or voting by another method, will not affect a shareholder's right to attend the Annual Meeting and to vote in person. A shareholder may revoke any proxy given pursuant to this solicitation by delivering written notice of revocation to the Corporate Secretary or Assistant Corporate Secretary of Fulton, sending a new proxy card at any time before the shares are voted by the proxy at the Annual Meeting, or by voting by another method at any time before the applicable deadline for voting set forth on the proxy card. Unless revoked, any proxy given pursuant to this solicitation will be voted at the Annual Meeting, including any adjournment or postponement thereof, in accordance with the written instructions of the shareholder giving the proxy. In the absence of instructions, all proxies will be voted **FOR** the election of the eleven (11) director nominees identified in this Proxy Statement, **FOR** the approval of the non-binding Say-on-Pay resolution to approve the compensation of the named executive officers, and **FOR** the ratification of the appointment of KPMG LLP as Fulton's independent auditor for the fiscal year ending

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December 31, 2015. Although the Board of Directors knows of no other business to be presented, in the event that any other matters are properly brought before the Annual Meeting, any proxy given pursuant to this solicitation will be voted in accordance with the recommendations of the Board of Directors of Fulton as permitted by Rule 14a-4(c) under the Securities Exchange Act of 1934, as amended (the Exchange Act). If you are a registered shareholder of record who holds stock in certificates or book entry with Fulton's transfer agent and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Annual Meeting.

Shares held for the account of shareholders who participate in the Dividend Reinvestment and Stock Purchase Plan and for the account of employees who participate in the Employee Stock Purchase Plan (the ESPP) will be voted in accordance with the instructions of each shareholder as set forth in his or her proxy. If a shareholder who participates in these plans does not return a proxy, the shares held for the shareholder's account will not be voted.

Shares held for the account of employees of Fulton and its subsidiaries who participate in the Fulton Financial Common Stock Fund of the Fulton Financial Corporation 401(k) Retirement Plan (the 401(k) Plan), will be voted by Fulton Financial Advisors, a division of Fulton Bank, N.A., as plan trustee (Plan Trustee) in accordance with the instructions of each participant as set forth in the separate voting instruction card sent to the participant with respect to such shares. To allow sufficient time for the Plan Trustee to vote, participants' voting instructions must be received by April 30, 2015.

Each participant in the 401(k) Plan (or the beneficiary of a deceased participant) is entitled to direct the Plan Trustee how to vote shares of common stock of Fulton which are allocated to his or her account under the 401(k) Plan on any matter on which other holders of Fulton's common stock are entitled to vote. If no direction is given, then the 401(k) Plan shares will not be voted by the Plan Trustee. The Plan Trustee has established procedures that are designed to safeguard the confidentiality of information about each Plan Participant's purchase, holding, sale and voting of the common stock. If a 401(k) Plan Participant has questions about these procedures or concerns about the confidentiality of this information, please contact the Retirement Plan Administrative Committee and direct the inquiry to Fulton Financial Corporation, Attn: RPAC Benefits, P.O. Box 4887, One Penn Square, Lancaster, PA 17604.

Voting Shares Held in Street Name

If you hold shares in street name with a bank or broker, it is important that you instruct your bank or broker how to vote your shares if you want your shares to be voted on the election of directors (Proposal 1 of this Proxy Statement) and on the non-binding Say-on-Pay resolution to approve the compensation of the named executive officers (Proposal 2 of this Proxy Statement). If you hold your shares in street name and you do not instruct your bank or broker how to vote your shares in the election of directors or any non-routine matters, such as Proposal 2 of this Proxy Statement, no votes will be cast on your behalf for the election of directors or Proposal 2. Your bank or broker will, however, continue to have discretion to vote any uninstructed shares on the ratification of the appointment of Fulton's independent auditor (Proposal 3 of this Proxy Statement) and other matters that your bank or broker considers routine. If you hold shares in street name with a bank or broker and you wish to vote your shares in person at the Annual Meeting, you will need to obtain a legal proxy from your bank or broker authorizing you to vote the shares at the Annual Meeting.

Voting of Shares and Principal Holders Thereof

At the close of business on the Record Date, Fulton had 179,042,922 shares of common stock outstanding and entitled to vote. There is no other class of capital stock outstanding. As of the Record Date 2,696,523 shares of Fulton common stock were held by Fulton Financial Advisors (FFA), a division of Fulton Bank, N.A., as the Plan Trustee, or in a fiduciary capacity for fiduciary accounts. The shares held in this manner, in the aggregate, represent approximately 1.5% of the total shares outstanding. Shares that are held in the applicable plan are voted by the beneficiaries. Shares for which FFA serves as a co-fiduciary will be voted by the co-fiduciary, unless the co-fiduciary declines to accept voting responsibility, in which case, FFA will vote to abstain on all proposals. Shares for which FFA serves as sole trustee of a revocable trust, shares for which FFA acts as agent for an investment management account, and shares for which FFA acts as custodian for a custodial account, are voted by the settlor of the revocable trust and the principal of the agency or custodial account unless the governing document provides for FFA to vote the shares, in which case FFA will vote to abstain on all proposals. Shares for which FFA is acting as sole trustee of an irrevocable trust or as guardian of the estate of a minor or an incompetent person are voted by FFA and in such cases, FFA will vote to abstain on all proposals.

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The holders of a majority of the outstanding common stock present in person or by proxy at the Annual Meeting constitutes a quorum for the conduct of business. The judge of election will treat shares of Fulton common stock represented by a properly signed and returned proxy as present at the Annual Meeting for purposes of determining a quorum, without regard to whether the proxy is marked or designated as casting a vote or abstaining. Likewise, the judge of election will treat shares of common stock represented by broker non-votes as present for purposes of determining a quorum.¹

Each share is entitled to one vote on all matters submitted to a vote of the shareholders. A majority of the votes cast at a meeting at which a quorum is present is required in order to approve any matter submitted to a vote of the shareholders, except for the election of directors, or in cases where the vote of a greater number of shares is required by law or under Fulton's Articles of Incorporation or Bylaws.

In the case of the election of directors, the eleven (11) candidates receiving the highest number of votes cast at the Annual Meeting shall be elected to the Board of Directors for terms of one (1) year. The affirmative vote of a majority of the common stock present or represented by proxy and voting at the Annual Meeting is required for approval of the non-binding Say-on-Pay resolution to approve the compensation of the named executive officers and the ratification of Fulton's independent auditor.

Abstentions and broker non-votes will be counted as shares that are present at the Annual Meeting for determining the presence of a quorum, but will not be counted as votes cast on the election of directors, the non-binding Say-on-Pay resolution to approve the compensation of the named executive officers, or the ratification of Fulton's independent auditor. Abstentions and broker non-votes will have no effect on the election of directors, the non-binding Say-on-Pay resolution concerning executive compensation, or the ratification of Fulton's independent auditor, since only votes cast will be counted.

To the knowledge of Fulton, on the Record Date, no person or entity owned of record, or beneficially, more than 5% of the outstanding common stock of Fulton, except those listed on page 13 under Security Ownership of Directors, Nominees, Management and Certain Beneficial Owners.

Internet Availability of Proxy Materials

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be Held on May 5, 2015

In accordance with the rules of the Securities and Exchange Commission (the "SEC"), we are advising our shareholders that we are furnishing proxy materials (i.e., this Proxy Statement, 2014 Annual Report and proxy card) to some of our shareholders on the Internet at www.proxyvote.com rather than mailing paper copies of the materials to those shareholders. As a result, some of the shareholders will receive a Notice of Internet Availability of Proxy Materials and other shareholders will receive paper copies of this Proxy Statement, 2014 Annual Report and proxy card. The Notice of Internet Availability of Proxy Materials contains instructions on how to access this Proxy Statement, 2014 Annual Report and proxy card over the Internet, instructions on how to vote shares, as well as instructions on how to request a paper copy of our proxy materials, if shareholders so desire. Fulton believes electronic delivery should expedite the receipt of materials, significantly lower costs and help to conserve natural resources.

Whether shareholders receive the Notice of Internet Availability of Proxy Materials or paper copies of the proxy materials, the Proxy Statement, the 2014 Annual Report, the proxy card, and any amendments to the foregoing materials that are required to be furnished to shareholders, are available for review online at <http://materials.proxyvote.com/360271>.

This Proxy Statement and our 2014 Annual Report also are available in the Investor Relations section of Fulton's website at www.fult.com. Shareholders may access this material by choosing the "Investor Relations" tab at the top of the page, and then "SEC Filings" from the items listed in the Investor Relations section.

¹ Broker non-votes are shares of common stock held in record name by brokers or nominees as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote; and (ii) the broker or nominee does not have discretionary voting power to vote such shares on a particular proposal.

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Recommendation of the Board of Directors

The Board of Directors recommends that shareholders vote FOR the election of the eleven (11) director nominees identified in this Proxy Statement, FOR the approval of the non-binding Say-on-Pay resolution to approve the compensation of the named executive officers and FOR the ratification of the appointment of KPMG LLP as Fulton's independent auditor for the fiscal year ending December 31, 2015.

Shareholder Proposals

Under SEC rules, shareholder proposals intended to be considered for inclusion in Fulton's Proxy Statement and form of proxy for the 2016 Annual Meeting must be received at the principal executive offices of Fulton at One Penn Square, Lancaster, Pennsylvania no later than November 25, 2015. With respect to any shareholder proposal not received at Fulton's principal executive offices by February 8, 2016, which is forty-five (45) calendar days before the one year anniversary of the date Fulton released the previous year's annual meeting Proxy Statement to shareholders, will be considered untimely and, if presented at the 2016 Annual Meeting, the proxy holders will be able to exercise discretionary authority in voting on any such proposal to the extent authorized by Rule 14a-4(c) under the Exchange Act. All shareholder proposals must comply with Rule 14a-8 under the Exchange Act, as well as Fulton's Bylaws.

Generally, under applicable SEC rules, a shareholder may not submit more than one proposal, and the proposal, including any accompanying supporting statement, may not exceed 500 words. In order to be eligible to submit a proposal, a shareholder must have continuously held at least \$2,000 in market value of Fulton common stock for at least one year before the date the proposal is submitted. Any shareholder submitting a shareholder proposal to Fulton must also provide Fulton with a written statement verifying ownership of stock and confirming the shareholder's intention to continue to hold the stock through the date of the 2016 Annual Meeting. The shareholder, or a qualified representative, must attend the 2016 Annual Meeting in person to present the proposal. The shareholder must also continue to hold the applicable amount of Fulton common stock through the date of the 2016 Annual Meeting.

Contacting the Board of Directors

Any shareholder of Fulton who desires to contact the Board of Directors may do so by writing to: Board of Directors, Fulton Financial Corporation, P.O. Box 4887, One Penn Square, Lancaster, PA 17604. These written communications will be provided to the Chair of the Executive Committee of the Board of Directors who will determine further distribution based on the nature of the information in the communication. For example, communications concerning accounting, internal accounting controls or auditing matters will be shared with the Chair of the Audit Committee of the Board of Directors.

Code of Conduct

Fulton's Code of Conduct (the "Code of Conduct") governs the conduct of its directors, officers and employees. Fulton provides the Code of Conduct to each director, officer and employee when starting their position, and they are required to annually acknowledge their review of the Code of Conduct. In 2014, after a review by the Nominating and Corporate Governance Committee, minor updates were made to the Code of Conduct to enhance the language and clarity of several existing provisions. These updates included adding examples of situations that involve, or may involve conflicts of interest. The gift allowance amount was also increased from \$100 to \$200, with permissibility of giving gifts limited to certain narrow circumstances. However, gifts of cash or cash-equivalents, such as checks, money orders and gift cards for general use (i.e., bank gift cards or similar items) in any amount are expressly prohibited by the Code of Conduct. Fulton's employees and directors are expected to recognize and avoid conflicts of interest situations in which personal interest or relationships interfere with, might interfere with, or appear to interfere with, their responsibilities to Fulton. A current copy of the Code of Conduct can be obtained, without cost, by writing to the Corporate Secretary at: Fulton Financial Corporation, P.O. Box 4887, One Penn Square, Lancaster, PA 17604. The current Code of Conduct, future amendments and any waivers are also posted and available on Fulton's website at www.fult.com.

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Corporate Governance Guidelines

Fulton has adopted Corporate Governance Guidelines (the "Governance Guidelines") that include guidelines and Fulton's policy regarding the following topics: (1) the size of the Board of Directors; (2) director qualifications; (3) majority vote standard; (4) service on other boards and director change in status; (5) meeting attendance and review of meeting materials; (6) director access to management and independent advisors; (7) designation of a Lead Director; (8) executive sessions; (9) Chief Executive Officer ("CEO") evaluation and succession planning; (10) Board of Directors and committee evaluations; (11) stock ownership guidelines; (12) communications by interested parties; (13) Board of Directors and committee minutes; (14) Codes of Conduct; and (15) disclosure and update of the Governance Guidelines. On January 21, 2014, the Governance Guidelines were amended to add a majority vote standard for an uncontested election of directors. The Governance Guidelines were last updated on June 17, 2014 to add the provision that Fulton encourages each member of the Board of Directors to attend outside education programs of relevance to their board service as one component of its corporate governance and general board education process. A copy of the current Governance Guidelines can be obtained, without cost, by writing to the Corporate Secretary at: Fulton Financial Corporation, P.O. Box 4887, One Penn Square, Lancaster, PA 17604. The Governance Guidelines are also posted and available on Fulton's website at www.fult.com.

SELECTION OF DIRECTORS

General Information

The Bylaws of Fulton provide that the Board of Directors shall consist of at least five (5) but not more than thirty-five (35) persons, and that the Board of Directors shall determine the number of directors. Pursuant to Fulton's Bylaws, as amended, all nominees elected to the Board of Directors are elected for one-year terms.

A majority of the Board of Directors may increase or decrease the number of directors between meetings of the shareholders. Any vacancy occurring in the Board of Directors, whether due to an increase in the number of directors, resignation, retirement, death or any other reason may be filled by appointment by the remaining directors. Any director who is appointed to fill a vacancy shall hold office until the next Annual Meeting of the shareholders and until a successor is elected and shall have qualified.

Fulton's Bylaws limit the age of director nominees, and no person may be nominated for election as a director who will attain the age of seventy-two (72) years on or before the date of the Annual Meeting at which he or she is to be elected. In addition, Fulton has adopted a Voluntary Resignation Policy for directors that generally requires a director to tender his or her resignation when the director's effectiveness as a member of the Board of directors may be substantially impaired. Circumstances that require a resignation to be submitted include, but are not limited to: (i) a director failing to attend at least 62.5% of meetings of the Board of Directors or its committees without a valid reason; and (ii) unless such an event is promptly cured to the satisfaction of Fulton, any extension of credit by any of Fulton's subsidiary banks for which the director or a related interest of the director is an obligor or guarantor is: a) classified by Fulton as nonaccrual, sixty (60) or more days past due, or restructured; b) assigned a risk rating of "substandard" or less; or c) not in material compliance with Board of Governors of the Federal Reserve System's Regulation O (12 C.F.R. Part 215) ("Regulation O"). In addition, in January 2014, Fulton added a majority vote standard to the Voluntary Resignation Policy for directors that requires a director to tender his or her resignation if a director does not receive a majority of the votes cast in an uncontested election for the Board of Directors. While the policy sets forth events which might cause a director to tender his or her resignation, it also directs Fulton's Board of Directors to consider carefully, on a case-by-case basis, whether or not Fulton should accept such a resignation.

Majority Vote Standard

In January 2014, Fulton's Nominating and Corporate Governance Committee recommended, and the Board of Directors adopted, a majority vote standard for uncontested director elections by revising its Governance Guidelines and Voluntary Resignation Policy for Directors. In an uncontested election at a Fulton annual meeting of shareholders occurring after January 2014, any nominee for director who does not receive a majority of the votes cast in an uncontested election for the Board of Directors is required to promptly tender his or her resignation following certification of the shareholder vote. As further described in the Governance Guidelines, the Nominating and Corporate Governance Committee shall consider the resignation tendered and recommend to the Board of Directors whether to accept it.

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Procedure for Shareholder Nominations

Section 3 of Article II of Fulton's Bylaws requires shareholder nominations of director candidates to be made in writing and delivered or mailed to the Chairman of the Board or the Corporate Secretary not less than the earlier of (a) one hundred twenty (120) days prior to any meeting of shareholders called for the election of directors or (b) the deadline for submitting shareholder proposals for inclusion in a Proxy Statement and form of proxy as calculated under Rule 14a-8(e) promulgated by the SEC under the Exchange Act. For the 2016 Annual Meeting this deadline date is November 25, 2015. Further, the notice to the Chairman of the Board or the Corporate Secretary of a shareholder nomination shall set forth: (i) the name and address of the shareholder who intends to make the nomination and a representation that the shareholder is a holder of record of stock of Fulton entitled to vote at such meeting and intends to be present in person or by proxy at such meeting to nominate the person or persons to be nominated; (ii) the name, age, business address and residence address of each nominee proposed in such notice; (iii) the principal occupation or employment of each such nominee; (iv) the number of shares of capital stock of Fulton that are beneficially owned by each such nominee; (v) a statement of qualifications of the proposed nominee and a letter from the nominee affirming that he or she will agree to serve as a director of Fulton, if elected by the shareholders; (vi) a description of all arrangements or understandings between the shareholder submitting the notice and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; and (vii) such other information regarding each nominee proposed by the shareholder as would have been required to be included in the Proxy Statement filed pursuant to the proxy rules of the SEC had each nominee been nominated by or at the direction of the Board of Directors. The chairman of the meeting shall determine whether nominations have been made in accordance with the requirements of the Bylaws and, if the chairman determines that a nomination is defective, the nomination and any votes cast for the nominee shall be disregarded. Shareholder nominees are subject to the same standard of review as nominees of Fulton's Board of Directors or its Nominating and Corporate Governance Committee.

Director Qualifications and Board Diversity

In considering any individual nominated for membership on the Board of Directors, including those nominated by a shareholder, Fulton considers a variety of factors, including whether the candidate is recommended by executive management, the individual's professional and personal qualifications, including business experience, education, community and charitable activities, and the individual's familiarity with a market or markets in which Fulton is located or is seeking to locate, or with a market that is similar to those in which Fulton is located or is seeking to locate. Fulton does not have a separate written policy regarding how diversity is to be considered in the director nominating process. Generally, however, Fulton takes into account diversity in business experience, community service, skills, professional background and other qualifications, as well as diversity in race, national origin and gender, in considering individual candidates. Fulton's Governance Guidelines provide that Fulton's Board of Directors should be sufficient in size to achieve diversity in business experience, community service and other qualifications among non-employee directors while still facilitating substantive discussions in which each director can participate meaningfully. In 2004, the Board of Directors formed the Nominating and Corporate Governance Committee of the Board of Directors, whose members are independent in accordance with the NASDAQ listing standards. The charter for the Nominating and Corporate Governance Committee is posted and available on Fulton's website at www.fult.com. The Nominating and Corporate Governance Committee is responsible for recommending director nominees to the Board of Directors and for the Governance Guidelines. Information on the experience, qualifications, attributes or skills of Fulton's directors and nominees is described under "Director and Nominee Biographical Information" below.

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ELECTION OF DIRECTORS PROPOSAL ONE

General Information

For the 2015 Annual Meeting, the Board of Directors has fixed the number of directors at eleven (11). Pursuant to Fulton's Bylaws, as amended, nominees to the Board of Directors are elected for one-year terms. The Board of Directors has nominated the following eleven (11) people for election to the Board of Directors for a term of one year:

2015 Director Nominees

John M. Bond, Jr.	Lisa Crutchfield	Denise L. Devine
Patrick J. Freer	George W. Hodges	Albert Morrison III
James R. Moxley III	R. Scott Smith, Jr.	Gary A. Stewart
Ernest J. Waters	E. Philip Wenger	

Each of the above nominees is presently a director of Fulton, except for James R. Moxley III. Following the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors approved the nomination of the above individuals. However, in the event that any of the foregoing 2015 director nominees are unable to accept nomination or election, any proxy given pursuant to this solicitation will be voted in favor of such other persons as the Board of Directors may recommend. The Board of Directors has no reason to believe that any of its director nominees will be unable to accept nomination or to serve as a director, if elected by a majority of the shares voted at the Annual Meeting.

Vote Required

The eleven (11) candidates receiving the highest number of votes cast at the Annual Meeting shall be elected to the Board of Directors. Abstentions and broker non-votes will be counted as shares that are present at the Annual Meeting, but will not be counted as votes cast in the election of directors.

Under the Governance Guidelines, in an uncontested election of directors, any nominee for director who does not receive a majority of the votes cast is required to promptly tender his or her resignation following certification of the shareholder vote. As further described in the Governance Guidelines, the Nominating and Corporate Governance Committee shall consider the resignation tendered and recommend to the Board of Directors whether to accept it.

Recommendation of the Board of Directors

The Board of Directors recommends that shareholders vote FOR the election of the eleven (11) director nominees identified in this Proxy Statement to serve for one-year terms.

Information about Nominees, Directors and Independence Standards

Information concerning the experience, qualifications, attributes or skills of the eleven (11) persons nominated by Fulton for election to the Board of Directors at the 2015 Annual Meeting is set forth below, including whether they were determined by the Board of Directors to be independent for purposes of the NASDAQ listing standards.

Fulton is a NASDAQ listed company and follows the NASDAQ listing standards for Board of Directors and committee independence. The Board of Directors determined that nine (9) of Fulton's eleven (11) director nominees are independent, as defined in the applicable NASDAQ listing standards. Specifically, the Board of Directors found that Directors Bond, Crutchfield, Devine, Freer, Hodges, Morrison, Stewart and Waters, as well as Mr. Moxley, met the definition of independent director in the NASDAQ listing standards and that each of these directors is free of any relationships that would interfere with his or her individual exercise of independent judgment. In addition, members of the Audit Committee and the Human Resources Committee (the HR Committee) of the Board of Directors meet the requirements for independence under the NASDAQ listing standards, and the rules and regulations of the SEC for service on the Audit Committee or the HR Committee, as applicable. In reviewing director independence, the Board of Directors considered the relationships and other arrangements, if any, of each director. The other types of relationships and transactions that were reviewed and considered are more fully described in Related Person Transactions on page 19.

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Director and Nominee Biographical Information

The following information regarding each director nominee's background, experience, qualifications, attributes or skills represents the information that led Fulton to conclude that these persons should be nominated to serve as a director of Fulton.

JOHN M. BOND, JR. (Independent Director), age 71.

Director of Fulton since 2006 and The Columbia Bank since 1988. Mr. Bond served as a Director of the Federal Home Loan Bank of Atlanta, 2005 through 2014. He was a Director of Columbia Bancorp from 1987 to 2006 when Columbia Bancorp merged with Fulton and retired as CEO of The Columbia Bank in 2006. He was the former Chairman of the Maryland Bankers Association, 2001 to 2002, and served as a Trustee of Goucher College, 1997 to 2014, and was Chairman of the Board, 2004 to 2009 and now serves as a Trustee Emeritus. Mr. Bond was admitted to practice law in New York.

Mr. Bond offers Fulton's Board of Directors years of bank executive management and financial expertise, strong knowledge of the financial services industry and knowledge of the suburban markets near Baltimore and Washington DC, as well as northern Virginia. Mr. Bond also brings a focused historical perspective to the Fulton Board with his prior corporate governance experience and having held leadership positions at an entity acquired by Fulton. Mr. Bond serves as Chair of Fulton's Audit Committee and as a financial expert, as defined by SEC regulations. He is also a member of Fulton's Executive Committee, Human Resources Committee and the Special Joint Board Compliance Committee.

LISA CRUTCHFIELD (Independent Director), age 52.

Director of Fulton since 2013. Ms. Crutchfield has been a Director of Unitil Corporation (NYSE:UTL) from 2012 to present. Since September of 2013, Ms. Crutchfield has led the CEO Council for Growth and the Greater Philadelphia Chamber of Commerce in policy, strategy and legislative functions. Prior to her role at the CEO Council, she served as executive vice president and chief regulatory and compliance officer for National Grid USA from 2008 to 2011. In this role Ms. Crutchfield also served as a non-independent director on the board of National Grid USA. She has also held executive roles with PECO Energy Company, TIAA-CREF and Duke Energy. In 1993, Crutchfield was appointed to serve as vice chairman of the Pennsylvania Public Utility Commission. Ms. Crutchfield is a graduate of Yale University with a B.A. in economics and political science. She is also a graduate of the Harvard School of Business and holds a M.A. of Business Administration, with a distinction in finance.

Ms. Crutchfield brings more than 20 years of experience leading corporate teams and has extensive knowledge of the financial industry and business practices with expertise in risk mitigation, compliance and regulatory matters. She is also a member of Fulton's Nominating and Corporate Governance Committee and Risk Committee.

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DENISE L. DEVINE (Independent Director), age 59.

Director of Fulton since 2012. Ms. Devine is the founder and has been the Chief Executive Officer of Nutripharm, Inc. since 1997, a company that has generated a portfolio of composition and process patents to create innovative natural food, beverage, pharmaceutical and nutraceutical products that facilitate nutrition and lifelong health. She has also been dedicated to developing and marketing convenient and natural beverage and snack solutions for the healthy growth and development of children. Ms. Devine, a certified public accountant, also previously served as Chief Financial Officer for Energy Solutions International and in financial management positions for Campbell Soup Company. Ms. Devine has served as Chair of the Pennsylvania State Board of Accountancy and on the Board of the American Institute of CPAs. Since 2006, Ms. Devine has served on the Board of Trustees of Villanova University and is currently the Chair of the Villanova University Audit and Risk Committees. She has also served as a member of the Board of Lourdes Health System since 2010.

Ms. Devine has substantial management, business and finance experience which adds valuable outside experience to Fulton's Board of Directors and its committees. She received an MBA from the Wharton School of the University of Pennsylvania, an M.S. in Taxation from Villanova Law School, and a B.S. in Accounting from Villanova University, where she graduated first in her class. Ms. Devine is a member of Fulton's Audit Committee and is the Vice Chair of Fulton's Human Resources Committee.

PATRICK J. FREER (Independent Director), age 65.

Director of Fulton since 1996. Mr. Freer was a Director of Lebanon Valley Farmers Bank, formerly known as Farmers Trust Bank, from 1980 until it was combined with Fulton Bank in 2007. He is the President of Strickler Insurance Agency, Inc. (insurance broker) and a Certified Insurance Counselor.

Mr. Freer brings to the Fulton Board of Directors an extensive knowledge of insurance, investments, finance and risk management as well as valuable knowledge of Fulton through his tenure of more than fifteen (15) years on its Board of Directors and as a bank director from 1980 to 2007. Mr. Freer has long been an active member in his community, helping with numerous capital campaigns and community projects. Mr. Freer has been a board member of the American Cancer Society, Lebanon County Economic Development Authority, Center of Lebanon Association and the Lebanon County Mental Health Association and has served as past president of the Lebanon Valley Sertoma Club and Lebanon County Christian Ministries. Mr. Freer serves as a member of Fulton's Human Resources Committee and is the Vice Chair of Fulton's Nominating and Corporate Governance Committee.

GEORGE W. HODGES (Independent Director), age 64.

Director of Fulton since 2001 and currently serves as Lead Director of Fulton. Mr. Hodges was a Director of Drivers & Mechanics Bank, until it was merged into Fulton Bank in 2001, and has served on the Board of Directors of Fulton Bank since 2012. He has been a Director of York Water Company from 2000 to present (NASDAQ:YORW), Director of The Wolf Organization, Inc. from 2008 to present (regional distributor and sourcing company of kitchen and bath products and specialty building products), a Director of Burnham Holdings, Inc. from 2006 to present, the parent company of fourteen subsidiaries that are leading domestic manufacturers of boilers and related HVAC products and accessories (including furnaces, radiators and air conditioning systems), for residential, commercial and industrial applications, and has served on the boards of various for profit, non-profit and community organizations. Mr. Hodges served as non-executive Chairman of the Board of The Wolf Organization from 2008 to 2009. Prior to being Chairman, Mr. Hodges was a member of the Office of the President of The Wolf Organization from 1986 to 2008. He has served as Chairman of the Board of York Water Company since 2011.

Mr. Hodges brings considerable financial expertise and business knowledge to the Fulton Board of Directors, both through his business experience and his service on other boards and completed the requirements for the National Association of Corporate Directors (NACD) Board Leadership Fellow Program from 2012 to 2014. His extensive business experience, financial expertise, and background are also invaluable for Fulton's Audit Committee where he serves as Vice Chair and as a financial expert, as defined by SEC regulations. Mr. Hodges also serves as Chair of Fulton's Executive Committee and is a member of Fulton's Human Resources Committee.

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ALBERT MORRISON III (Independent Director), age 68.

Director of Fulton since 2012. Mr. Morrison is the Chairman of the Board of Burnham Holdings, Inc., the parent company of fourteen subsidiaries that are leading domestic manufacturers of boilers and related HVAC products and accessories (including furnaces, radiators and air conditioning systems), for residential, commercial and industrial applications. Mr. Morrison was elected as a director of Burnham in 1986, became President and Chief Executive Officer of Burnham in 1988 and has served as Chairman since 2002. Mr. Morrison retired as Chief Executive Officer, effective in April 2012, after thirty-eight years of service with Burnham Holdings, Inc.

As a long-time CEO and director of a manufacturing company, Mr. Morrison brings extensive business, financial, acquisition and human resources skills to Fulton's Board of Directors and its Audit Committee, where he serves as a member. Mr. Morrison also serves as Chair of Fulton's Risk Committee and is a member of Fulton's Executive Committee and the Special Joint Board Compliance Committee.

JAMES R. MOXLEY III (Independent Director Nominee), age 54.

Director Nominee for election to Fulton's Board of Directors at the 2015 Annual Meeting. Mr. Moxley has been a director of The Columbia Bank since 1999. He is admitted and licensed to practice law in Maryland and a former real estate attorney with Venable, Baetjer and Howard, now known as Venable LLP (law firm). Since 1992 Mr. Moxley has served as a Principal of the Security Development Corporation (a Washington-Baltimore real estate land development company). He has served as a trustee of Glenelg Country School from 1996 to present, trustee of the Howard Hospital Foundation from 2014 to present, and is active on numerous community boards and committees in Maryland.

Mr. Moxley brings banking expertise to Fulton's Board of Directors that he gained as a director of The Columbia Bank. He also has extensive business, tax and legal experience in the development of real estate. Mr. Moxley currently serves as a member of the Special Joint Board Compliance Committee as a subsidiary bank director representing The Columbia Bank.

R. SCOTT SMITH, JR., age 68.

Director of Fulton since 2001. Mr. Smith is the retired Chairman of the Board and CEO of Fulton. He served as Chairman of the Board and CEO from January 2006 to December 2012 and also served as a Director of Fulton Bank from 1993 to 2002. He was a Director of The Federal Reserve Bank of Philadelphia from 2010 to 2013 and a member of the Federal Advisory Council to the Federal Reserve Board, Washington, DC from 2008 to 2010. Mr. Smith was a Director of the American Bankers Association from 2006 to 2009, was employed by Fulton from 1978 to 2012 in various positions and worked in financial services since 1969. In 2014, Mr. Smith became a director of Herr Foods, Inc. (snack food manufacturer), and IREX Corp. (a specialty contracting organization), and he continues to be active in the Lancaster community.

Mr. Smith's various management roles during his over thirty years of service in banking give him a broad understanding of the financial services industry, Fulton's operations, corporate governance matters and leadership experience qualifying him to serve on Fulton's Board of Directors. Mr. Smith serves as a member of Fulton's Risk Committee.

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GARY A. STEWART (Independent Director), age 67.

Director of Fulton since 2001. Mr. Stewart is the Chairman of The Stewart Companies (a holding company that oversees and manages a diverse group of subsidiaries based in the United States), Vice President of Apple Automotive Group, Inc., a Partner of Stewart Properties (real estate developer), President of Aspen Equity Group LLC (real estate) and has served on the boards of various for profit, non-profit and community organizations. He was a Director of York Bank & Trust Company from 1981 to 1998, and was a Director of Drovers & Mechanics Bank until it was merged into Fulton Bank in 2001.

Mr. Stewart has relevant business experience that includes extensive experience in real estate acquisition, development, finance and management and bank board service qualifying him for service as a member of the Board of Directors. Mr. Stewart serves as Vice Chair of Fulton's Executive Committee and Chair of Fulton's Nominating and Corporate Governance Committee, and is also a member of Fulton's Risk Committee.

ERNEST J. WATERS (Independent Director), age 65.

Director of Fulton since 2012 and Director of Fulton Bank, N.A. since 2011. Mr. Waters retired from Metropolitan Edison, a FirstEnergy company, in 2009, where he served as the Area Vice President and Area Manager. Mr. Waters joined the FirstEnergy companies (an investor-owned utility) in 1976 and held various positions in Auditing and Marketing during his tenure. He also served as an expert accounting witness in setting rates before the Pennsylvania Public Utility Commission. Prior to joining the FirstEnergy companies, Mr. Waters was a public accountant and business consultant in Philadelphia. He is a former certified public accountant and holds an MBA from the University of Pittsburgh. Since 2007, Mr. Waters has served on the Board of Directors of the York Water Company (NASDAQ: YORW) where he chairs their Compensation Committee and is a member of the Audit Committee. In addition, Mr. Waters has served at leadership and committee levels with numerous community and nonprofit organizations. He is the past Chairman of the Board of York Hospital and is currently a member of the Board, and chairs the Audit Committee for Wellspan Health, York Hospital's parent company.

Mr. Waters has business, regulatory, leadership, board service and accounting expertise that brings valuable perspectives to Fulton's Board of Directors and has completed the requirements for the NACD Board Leadership Fellow Program during 2014. He is the Chair of the Special Joint Board Compliance Committee and Vice Chair of Fulton's Risk Committee. He is also a member of Fulton's Audit Committee.

E. PHILIP WENGER, age 57.

Director of Fulton since 2009. Mr. Wenger became Chairman of the Board, Chief Executive Officer and President of Fulton effective on January 1, 2013. He previously served as President and Chief Operating Officer of Fulton from 2008 to 2012, a Director of Fulton Bank from 2003 to 2009, Chairman of Fulton Bank from 2006 to 2009 and has been employed by Fulton in a number of positions since 1979.

Mr. Wenger possesses an extensive knowledge of the many aspects of banking operations through more than thirty years of experience in the financial services industry. He has gained valuable insight through his experience in different banking areas, including retail banking, commercial banking, bank operations and systems. Mr. Wenger serves as a member of Fulton's Executive Committee and the Special Joint Board Compliance Committee.

Table of Contents**Security Ownership of Directors, Nominees, Management and Certain Beneficial Owners**

The following table sets forth the number of shares of common stock beneficially owned¹ as of the Record Date by each director and nominee, and the named executive officers, Messrs. Wenger, Barrett, Shreiner, Roda and Rohrbaugh, (collectively the "Named Executive Officers" or "Executives" and individually, an "Executive") and those persons known to be the beneficial owner of more than 5% of Fulton's common stock. Except as to the beneficial owners and other principal holders listed below, to the knowledge of Fulton, no person or entity owned of record or beneficially on the Record Date more than 5% of the outstanding common stock of Fulton. Unless otherwise indicated in a footnote, shares shown as beneficially owned by each nominee and director or the Executives are held individually by the person. The directors, nominees and the Executives of Fulton, as a group, owned of record and beneficially 2,245,856 shares of Fulton common stock, representing 1.25% of such shares then outstanding. Shares representing less than one percent of the outstanding shares are shown with a "*" below.

Name of Beneficial Owner	Title	Number of Common Shares Beneficially Owned ^{2 3 4}	Percent of Class
Patrick S. Barrett	Senior Executive Vice President and Chief Financial Officer	31,077 ⁵	*
John M. Bond, Jr.	Director and Nominee	424,770 ⁶	*
Lisa Crutchfield	Director and Nominee	1,479	*
Craig A. Dally	Director	147,256 ⁷	*
Denise L. Devine	Director and Nominee	7,178 ⁸	*
Patrick J. Freer	Director and Nominee	101,978 ⁹	*
George W. Hodges	Director and Nominee	40,489 ¹⁰	*
Albert Morrison III	Director and Nominee	25,998	*
James R. Moxley III	Nominee	103,208 ¹¹	*
Craig A. Roda	Senior Executive Vice President	173,128 ¹²	*
Philmer H. Rohrbaugh	Senior Executive Vice President and Chief Risk Officer	35,022 ¹³	*
James E. Shreiner	Senior Executive Vice President	302,199 ¹⁴	*
R. Scott Smith, Jr.	Director and Nominee	323,928 ¹⁵	*
Gary A. Stewart	Director and Nominee	194,689 ¹⁶	*
Ernest J. Waters	Director and Nominee	8,847	*
E. Philip Wenger	Director, Nominee, Chairman of the Board, President and Chief Executive Officer	324,611 ¹⁷	*
Total Ownership	Directors, Nominees and Executives as a Group (16 Persons)	2,245,856	1.25%
Other Principal Holders			
BlackRock, Inc. 55 East 52nd Street New York, NY 10022	N/A	11,472,271 ¹⁸	6.2%
State Street Corporation One Lincoln Street Boston, MA 02111	N/A	11,174,718 ¹⁹	6.0%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	N/A	11,277,012 ²⁰	6.08%
Dimensional Fund Advisors LP Building One 6300 Bee Cave Road Austin, TX 78746	N/A	10,036,972 ²¹	5.42%

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¹ Beneficial ownership is determined in accordance with SEC Rule 13d-3, which provides that a person is deemed to own any stock for which that person has or shares: (i) voting power, which includes the power to vote or to direct the voting of the stock; or (ii) investment power, which includes the power to dispose or direct the disposition of the stock; or (iii) the right to acquire beneficial ownership within 60 days after the Record Date.

² Includes 307,292 shares issuable upon the exercise of vested stock options and 152,771 shares of unvested restricted stock, which have been treated as outstanding shares for purposes of calculating the percentage of outstanding shares owned by directors and Executives as a group.

³ As of the Record Date, none of the listed individuals had pledged Fulton stock except for Mr. Stewart, who has pledged 74,755 shares in connection with a collateral account with his broker related to a line of credit with the same broker.

⁴ Fulton has established stock ownership guidelines for Fulton directors and certain officers. Achievement of the levels of ownership required by the stock ownership guidelines is reviewed and determined annually based on the closing price of Fulton stock on December 31. In 2013, the targeted ownership for directors was increased to \$175,000 in fair market value of Fulton common stock, and directors that did not own shares at this level were given five (5) years to achieve this level of ownership. For Executive officers, the targeted stock ownership differs by position. The CEO is required to acquire shares with a fair market value of two (2) times the CEO's annual base salary, the President and the Chief Financial Officer are required to acquire shares with a fair market value of 1.5 times their respective annual base salary, and certain other officers are required to acquire shares with a fair market value of one (1) times their respective annual base salary. In the case of newly-appointed or elected directors and officers, the required level of stock ownership may be achieved over a period of five (5) years and compliance is determined at the calendar year end of the year in which the five year anniversary of appointment or election occurs. As of December 31, 2014, all of Fulton's directors and Executives have satisfied the stock ownership guidelines, except Directors Crutchfield, Devine and Waters, and Mr. Barrett and Mr. Rohrbaugh. Under the revised ownership guidelines, Director Devine, Director Waters and Mr. Rohrbaugh are required to achieve the targeted stock ownership level by December 31, 2018. Director Crutchfield and Mr. Barrett are required to achieve the targeted stock ownership level by December 31, 2019.

⁵ Mr. Barrett's ownership includes 31,077 shares of unvested restricted stock.

⁶ Mr. Bond's ownership includes 28,684 shares which may be acquired pursuant to the exercise of vested stock options and 136,723 shares held solely by his spouse.

⁷ Mr. Dally's ownership includes 12,602 shares held in an IRA, 2,065 shares held jointly with his spouse. Mr. Dally's current term as a Fulton director will end at the 2015 Annual Meeting. He is currently a Court of Common Pleas Judge in Northampton County, Pennsylvania and is not continuing as a Fulton director due to a Judicial Rule change effective in 2015 that generally prohibits Judges in Pennsylvania from serving on corporate boards.

⁸ Ms. Devine's ownership includes 1,000 shares held jointly with her spouse.

⁹ Mr. Freer's ownership includes 92,711 shares held jointly with his spouse and 328 shares held solely by his spouse.

¹⁰ Mr. Hodges' ownership includes 21,430 shares held in a 401(k) plan.

¹¹ Mr. Moxley's ownership includes 39,115 shares held by the Moxley Family Trust, 631 shares held solely by his spouse, 13,100 shares held by Mr. Moxley as custodian for his children, 10,104 shares held in a 401(k) plan and 1,962 shares which may be acquired pursuant to the exercise of vested stock options that he acquired in 2005 as a director of Columbia Bancorp, Inc. before it was acquired by Fulton in 2006.

¹² Mr. Roda's ownership includes 41,366 shares of unvested restricted stock, 78,680 shares which may be acquired pursuant to the exercise of vested stock options, 17,907 shares in Fulton's ESPP and 9,397 shares held jointly with his spouse.

¹³ Mr. Rohrbaugh's ownership includes 21,320 shares of unvested restricted stock, 13,000 shares held in an IRA and 701 shares held jointly with spouse.

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¹⁴ Mr. Shreiner retired effective December 31, 2014. Mr. Shreiner's ownership includes 88,636 shares in Fulton's ESPP and held jointly with his spouse and 98,983 shares which may be acquired pursuant to the exercise of vested stock options.

¹⁵ Mr. Smith's ownership includes 302,344 shares held jointly with spouse and 15,539 shares held in an IRA.

¹⁶ Mr. Stewart's ownership includes 89,635 shares held in a grantor retained annuity trust and 89,283 shares held by The Stewart Foundation. Mr. Stewart disclaims beneficial ownership of any of The Stewart Foundation shares beyond his pro rata interest.

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¹⁷ Mr. Wenger's ownership includes 37,625 shares held jointly with his spouse, 59,008 shares of unvested restricted stock, 68,371 shares held in Fulton's 401(k) Plan and 98,983 shares which may be acquired pursuant to the exercise of vested stock options. Also includes 2,822 shares held in Fulton's 401(k) Plan by his spouse and 523 shares held by Mr. Wenger as custodian for his children.

¹⁸ This information is based solely on a Schedule 13G filed with the SEC on January 30, 2015 by BlackRock, Inc., which reported sole voting power and sole dispositive power as to 10,873,938 and 11,472,271 shares, as of December 31, 2014.

¹⁹ This information is based solely on a Schedule 13G filed with the SEC on February 12, 2015 by State Street Corporation, which reported shared voting power and shared dispositive power as to 11,174,718 shares, as of December 31, 2014.

²⁰ This information is based solely on a Schedule 13G filed with the SEC on February 10, 2015 by The Vanguard Group, which reported sole voting power and sole dispositive power as to 127,026 and 11,168,186 shares, and shared dispositive power as to 108,826 shares, as of December 31, 2014.

²¹ This information is based solely on a Schedule 13G filed with the SEC on February 5, 2015 by Dimensional Fund Advisors LP, which reported sole voting power and sole dispositive power as to 9,844,642 and 10,036,972 shares, as of December 31, 2014.

Table of Contents**INFORMATION CONCERNING THE BOARD OF DIRECTORS****Meetings and Committees of the Board of Directors**

There were ten (10) regular and special meetings of the Board of Directors of Fulton and sixty-one (61) meetings of the committees of the Board of Directors of Fulton during 2014. No director attended fewer than 75% of (i) all meetings of the Board of Directors, (ii) all of the meetings of the committees of the Board of Directors on which a director served, or (iii) the aggregate number of meetings of the Board of Directors and of the committees of the Board of Directors on which he or she served in 2014.

The Board of Directors of Fulton has the following five regular standing committees: Audit, Executive, Human Resources, Nominating and Corporate Governance and Risk. Fulton also established the Special Joint Board Compliance Committee (the Compliance Committee) as further described below. The following table represents the membership on each Fulton committee as of the date of this Proxy Statement:

	Audit	Executive	Human Resources	Nominating and Corporate Governance	Risk	Compliance
John M. Bond, Jr. ^{1 2}	Chair	Member	Member			Member
Lisa Crutchfield ¹				Member	Member	
Craig A. Dally ¹		Member	Chair	Member		
Denise L. Devine ¹	Member		Vice Chair			
Patrick J. Freer ¹			Member	Vice Chair		
George W. Hodges ^{1 2 3}	Vice Chair	Chair	Member			
Albert Morrison III ¹	Member	Member			Chair	Member
R. Scott Smith, Jr.					Member	
Gary A. Stewart ¹		Vice Chair		Chair	Member	
Ernest J. Waters ¹	Member				Vice Chair	Chair
E. Philip Wenger		Member			Member ⁴	Member

1-independent director

2-Audit Committee Financial Expert

3-Lead Director

4-Ex-officio member per bylaws

Human Resources Committee Interlocks and Insider Participation

HR Committee. Fulton maintains a Human Resources Committee (defined above as the HR Committee), and all members of the HR Committee meet the independence requirements of the NASDAQ listing standards for membership on compensation committees. More information regarding the HR Committee can be found in the Compensation Discussion and Analysis section of this Proxy Statement beginning on page 23. There are no interlocking relationships, as defined in applicable SEC regulations, involving members of the HR Committee. Certain directors may have indirect relationships described in Related Person Transactions beginning on page 19. The HR Committee is responsible for approving or recommending to the Board of Directors the compensation and equity awards for the Executives, administration of Fulton's ESPP and the 401(k) Plan, approving employment agreements for the Executives and other officers of Fulton and fulfilling other broad-based human resources duties. The HR Committee met a total of nine (9) times in 2014. The HR Committee is governed by a formal charter, which was last amended in September 2014, and which is available on Fulton's website at www.fult.com.

Other Board Committees

Audit Committee. All members of the Audit Committee meet the independence requirements of the NASDAQ listing standards, and the rules and regulations of the SEC for membership on audit committees. Each of Directors Bond and Hodges have been determined to qualify, been designated by the Board of Directors, and agreed to serve, as an Audit Committee financial expert as defined by SEC regulations. Director Hodges has served as a financial expert of Fulton since 2008, and Director Bond was designated as an additional financial expert by Fulton's Board of Directors in 2013. The Audit Committee met twelve (12) times during 2014. The Audit Committee is governed by a formal charter, which was last amended in September 2014, and which is available on Fulton's website at www.fult.com. The Audit Committee's pre-approval policy and procedure for audit and non-audit services is set forth in its charter. The functions

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of the Audit Committee include: sole authority to appoint, evaluate, retain, or terminate the independent auditor; direct responsibility for the compensation and oversight of the work of the independent auditor; oversight of the overall relationship with the independent auditor; meeting with the independent auditor to review the scope of audit services; reviewing and discussing with management and the independent auditor annual and quarterly financial statements and related disclosures; overseeing the internal audit function, including hiring and replacing the chief audit executive; reviewing and approving related person transactions; establishing procedures and handling complaints concerning accounting, internal accounting controls, or auditing matters; and those risk management matters outlined in the Audit Committee Charter. In addition, with respect to any bank subsidiary of Fulton that has not established its own independent audit committee, it is intended that Fulton's Audit Committee, in carrying out its responsibilities, will also satisfy the obligations imposed on such bank subsidiary of Fulton relating to the establishment and duties of an independent audit committee as set forth in Section 36 of the Federal Deposit Insurance Act and its implementing regulations.

Nominating and Corporate Governance Committee. All members of the Nominating and Corporate Governance Committee meet the independence requirements of the NASDAQ listing standards. The Nominating and Corporate Governance Committee met eight (8) times during 2014. The Nominating and Corporate Governance Committee is responsible for, among other things, recommending to the Board of Directors nominees for election to the Board of Directors and assisting the Board of Directors with corporate governance matters including, the review and approval of all changes to the Code of Conduct, Governance Guidelines and the responsibility for guidelines and procedures to be used by directors in completing Board of Directors evaluations used in monitoring and evaluating the performance of the Board of Directors and committees. The Nominating and Corporate Governance Committee also has the primary responsibility for determining annually the compliance of Fulton's directors and Executives with Fulton's stock ownership guidelines. The Nominating and Corporate Governance Committee is governed by a formal charter, which was last amended in September 2014, and is available on Fulton's website at www.fult.com.

Executive Committee. The Executive Committee met one (1) time during 2014. Except for the powers expressly excluded in Section 5 of Article III of the Bylaws, the Executive Committee exercises the powers of the Board of Directors between board meetings.

Risk Committee. Fulton's Risk Committee met nine (9) times during 2014. The Risk Committee is responsible for providing oversight of the risk management function of Fulton, including assisting the Board of Directors with its oversight of Fulton's policies, procedures and practices relating to assessment and management of Fulton's enterprise-wide risks, including those risks identified in Fulton's Enterprise Risk Management Policy, currently, credit risk, market risk, liquidity risk, operational risk, legal risk, compliance and regulatory risk, reputation risk and strategic risk. The Risk Committee is governed by a formal charter, which was last amended in September 2014, and is available on Fulton's website at www.fult.com.

Compliance Committee. The Special Joint Board Compliance Committee (defined above as the Compliance Committee) was established to assist the Board of Directors and the Boards of Fulton's subsidiary banks, in fulfilling their respective oversight responsibilities regarding (i) the development and maintenance of an enhanced compliance risk management function at Fulton to serve Fulton and its subsidiary banks, and (ii) ensuring the satisfactory delivery of compliance-related services to Fulton and its subsidiary banks. The formal charter governing the Compliance Committee was amended following the issuance by federal banking regulators of the first enforcement orders relating to Bank Secrecy Act and anti-money laundering (BSA/AML) compliance matters at Fulton's subsidiary banks to provide that the Compliance Committee would also serve as a vehicle through which the Board of Directors and the Boards of its subsidiary banks would oversee and ensure compliance with the enforcement orders. See Item 3. Legal Proceedings in Fulton's Annual Report on Form 10-K, for the year ended December 31, 2014, for additional information regarding the enforcement orders issued to Fulton and its subsidiary banks. The Compliance Committee is comprised of four Fulton directors and directors from each of Fulton's subsidiary banks, and it met twelve (12) times in 2014.

Board's Role in Risk Oversight

Fulton's Risk Committee is primarily responsible for overseeing the management of Fulton's enterprise-wide risks and the Board of Directors continues to regularly review information regarding Fulton's exposure to credit risk, market risk, liquidity risk, operational risk, compliance and regulatory risk, legal risk, reputation risk, and strategic risk, as well as Fulton's strategies to monitor, control and mitigate its exposure to these risks. In addition, the HR Committee is responsible for overseeing the management of risks relating to all of Fulton's compensation plans. The Audit Committee

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shares with the Risk Committee a general oversight role in Fulton's risk management process in the context of the Audit Committee's responsibility for financial reporting and its evaluation and assessment of the adequacy of Fulton's internal control structure. The Nominating and Corporate Governance Committee manages risks associated with the independence of the Board of Directors, potential conflicts of interest and governance matters. The Compliance Committee is responsible for overseeing management of certain risks related to compliance and regulatory matters. While each of Fulton's committees are responsible for overseeing the management of certain risks, Fulton's Risk Committee is primarily responsible for overseeing the management of such risks for Fulton, and the entire Board of Directors is regularly informed through committee reports and review of committee meeting minutes about such risks.

The Board of Directors also utilizes Fulton's Chief Risk Officer and other members of Fulton's Enterprise Risk Management Committee, which is Fulton's officer-level risk management committee, to oversee and manage existing and emerging risks and serve as a review forum prior to escalation to the Risk Committee and the Board of Directors. This officer-level risk management committee provides additional oversight for Fulton's risk management and compliance programs. In addition, in December 2014, Fulton's Board of Directors adopted a revised formal Risk Appetite Statement which sets forth both the qualitative and quantitative parameters within which Fulton executes its business strategies. This document also outlines the general framework within which Fulton manages risk in the context of Fulton's core values and its management philosophy, which seeks to balance the risk it assumes in serving its customers and communities with the return it earns for its shareholders. Fulton's framework for risk management consists of three lines of defense: 1) business units, bank operations, shared services and corporate staff office functions (collectively known as front line units) have primary responsibility for risk management and compliance, and they each drive deployment, process management, controls, policies and procedures, training and communication; 2) independent risk management units (consisting of risk management, compliance, loan review, vendor risk management, fraud risk management, Bank Secrecy Act compliance and other risk management activities) have oversight responsibility for risk management and compliance, and these units educate, advise and monitor business unit risk and compliance activities; and 3) Fulton's Internal Audit function periodically independently validates the effectiveness of risk management activities and operational controls, and reports results to management and the Board of Directors.

Fulton's risk appetite is centered on Fulton's objective to consistently increase and enhance shareholder value. Fulton's Board of Directors, and the committees that monitor risk, assess and oversee the management of risk, including the establishment, tracking and reporting of key risk indicators within the primary risk categories of credit, market, liquidity, operational, legal, compliance and regulatory, reputation and strategic risk. Fulton's key risk indicator thresholds reflect Fulton's objective to consistently increase and enhance shareholder value and maintain capital at a level and quality that supports Fulton's long-term strategic objectives and complies with regulatory guidelines. Finally, Fulton engages in ongoing risk assessment, capital management and stress testing to ensure that Fulton has adequate capital to absorb potential losses under various stress scenarios.

Lead Director and Fulton's Leadership Structure

Director Hodges currently serves as Fulton's Lead Director and is the independent Chair of the Executive Committee. He is also Vice Chair of the Audit Committee and a member of the Human Resources Committee. The Board of Directors has made a determination that a structure which includes a Lead Director and a combined Chairman/CEO is appropriate for Fulton. Pursuant to the Governance Guidelines, the Board of Directors designates for a term of at least one (1) year, and publicly discloses in Fulton's Proxy Statement, the independent non-employee director who will lead the non-employee directors' executive sessions and preside at all meetings of the Board of Directors at which the Chairman is not present. The Governance Guidelines also require that the Lead Director shall, as appropriate: serve as a liaison between the Chairman and the independent directors; approve information sent to the Board of Directors; approve meeting schedules to assure that there is sufficient time for discussion of all agenda items; and have the authority to call meetings of the independent directors.

Similar to many public companies, the leadership structure of Fulton combines the positions of Chairman and CEO. This structure permits the CEO to manage Fulton's daily operations and provides a single voice for Fulton when needed. Fulton believes that separation of these roles is not necessary because the Lead Director acts to counterbalance the combined Chairman and CEO positions. In addition, approximately 82% of Fulton's directors (9 out of 11) are independent under applicable NASDAQ standards, which provides an appropriate level of independent oversight at Board of Directors meetings and executive sessions. Finally, Fulton's HR Committee, Nominating and Corporate Governance Committee and Audit Committee are all currently, and will continue to be, comprised solely of independent directors.

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Executive Sessions

The independent directors of the Fulton Board of Directors met six (6) times in executive session at which only independent directors were present in 2014. The Chair of the Executive Committee, George W. Hodges, who also served as the Lead Director, conducted these executive sessions of the independent directors.

Annual Meeting Attendance

Pursuant to Fulton's Governance Guidelines, Fulton expects directors to attend the Annual Meeting in person unless their absence is excused. All members of the Board of Directors, except for one (1) member, whose absence was excused by the Chairman, attended the 2014 Annual Meeting.

Director Education and Board of Directors Development

Fulton encourages its directors to attend outside seminars and educational programs as part of its corporate governance and general board education process. These educational opportunities are in addition to the education and development presentations that are provided during Fulton Board of Directors meetings and seminars. For example, third parties are periodically asked to provide the Board of Directors with presentations on governance, the economy, regulatory, compliance and a variety of other topics of interest. In addition, Directors Dally, Hodges and Waters completed the requirements for the NACD Board Leadership Fellow Program during 2014. In order to become NACD Fellows, individuals must demonstrate their knowledge of the leading trends and practices that define exemplary corporate governance, and commit to developing professional insights through a sophisticated course of ongoing study. In addition, to further enhance director education, a needs analysis was conducted by Fulton's Chief Learning Officer in December 2014 in the form of one-on-one interviews with each Fulton director to solicit individual input and feedback. With the oversight of the Nominating and Corporate Governance Committee, Fulton will continue to promote board development and ensure directors are kept current in a selection of topics via onsite programs sponsored by Fulton, and external and remote learning opportunities.

Legal Proceedings

There are no material legal proceedings to which any director, officer, nominee, affiliate or principal shareholder, or any associate thereof, is a party adverse to Fulton, or in which any such person has a material interest adverse to Fulton.

Related Person Transactions

Financial Products and Services: Some of the current directors and Executives of Fulton, their family members and the companies with which they are associated, were customers of, and/or had banking transactions with, Fulton's subsidiaries during 2014. These transactions included deposit accounts, trust relationships, loans and other financial products and services provided in the ordinary course of business by different Fulton subsidiaries. All loans and commitments to lend made to such persons and to the companies with which they are associated were made in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the lender, and did not involve more than a normal risk of collectability or present other unfavorable features. It is anticipated that similar transactions will be entered into in the future. By using Fulton's products and services, directors and Executives have the opportunity to become familiar with the wide array of products and services offered by Fulton's subsidiaries to customers.

Other Transactions: Applicable SEC regulations require Fulton to disclose transactions with certain related persons where the annual amount involved exceeds \$120,000. However, a person who has a position or relationship with a firm, corporation, or other entity that engages in a transaction with Fulton is not deemed to have a material interest in a transaction where the interest arises only from such person's position as a director of the firm, corporation or other entity and/or arises only from the ownership by such person in the firm, corporation or other entity if that ownership is under 10%, excluding partnerships. Amounts paid to entities in which a related person does not have a material interest or were obtained by a low bid pursuant to a formal request for proposal to provide services are not required to be disclosed. During 2014, Fulton did not have any related person transactions in excess of \$120,000 requiring specific disclosure.

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Fulton considered the related person transactions with the members of the Board of Directors and senior officers that do not require specific disclosure, when it made the determinations that nine (9) of Fulton's eleven (11) director nominees, or approximately 82% of its director nominees who are standing for election at the 2015 Annual Meeting, are independent in accordance with the NASDAQ listing standards. See Information about Nominees, Directors and Independence Standards on page 8 for more information.

Family Relationships: SEC regulations generally require disclosure of any employment relationship or transaction with a related person where the amount involved exceeds \$120,000. In fiscal year 2014, there were no family relationships among any of the members of the Board of Directors and senior management of Fulton, except for Messrs. Wenger and Roda, who are related by marriage and are brothers-in-law. Further, Mr. Brad Roda, the brother-in-law of Mr. Wenger and brother of Mr. Roda, was also employed by Fulton. In 2014, Mr. Brad Roda received annual compensation consisting of base salary, equity awards and cash bonus totaling approximately \$124,000, plus other benefits on the same basis as other similarly situated employees. Mr. Brad Roda became SVP/Division Sales Manager-Merchant Card Services of Fulton Bank in 2010, and has been employed by Fulton in various positions since 1981. In addition, as of December 31, 2014, other family relationships existed among senior management and some of the approximately 3,560 full-time equivalent employees of Fulton and its subsidiaries. These Fulton employees participate in compensation, benefit and incentive plans on the same basis as other similarly situated employees.

Related Person Transaction Policy and Procedures: Fulton does not have a separate policy specific to related person transactions. Under the Code of Conduct, however, employees and directors are expected to recognize and avoid those situations where personal interest or relationships might interfere, or appear to interfere, with their responsibilities to Fulton. The Code of Conduct also requires thoughtful attention to the problem of conflicts and the exercise of the highest degree of good judgment. Under the Code of Conduct, directors must provide prompt notice to Fulton of all new or changed business activities, related person relationships and board directorships as they arise.

In addition, Fulton and its subsidiary banks are subject to Regulation O, which governs loans by federally regulated banks to certain insiders, including an executive officer, director or 10% controlling shareholder of the applicable bank or bank holding company, or an entity controlled by such executive officer, director or controlling shareholder (an Insider). Each Fulton subsidiary bank is required to follow a Regulation O policy that prohibits the affiliate bank from making loans to an Insider unless the loan (i) is made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the lender; and (ii) does not involve more than the normal risk of repayment or present other unfavorable features. Fulton and its subsidiary banks are examined periodically by bank regulators and Fulton's Internal Audit Department for compliance with Regulation O to ensure that internal controls exist within Fulton and its subsidiary banks to monitor Fulton's compliance with Regulation O.

In accordance with Fulton's Audit Committee Charter and NASDAQ listing standards, the Audit Committee is charged with the responsibility to at least annually, conduct an appropriate review and provide oversight of all transactions with related persons as defined in applicable SEC regulations. This responsibility includes reviewing an annual report regarding the related person transactions, if any, with each member of Fulton's Board of Directors, Executives and other senior officers during the prior year. At a meeting in February 2015, the Audit Committee reviewed a report of all existing related person transactions involving Fulton's directors and the Executives. The Audit Committee concluded that the loans and other banking services provided to the directors and the Executives of Fulton and their related interests were provided in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with others. The Audit Committee also reviewed all other related person transactions for any potential conflict of interest situations with the directors and the Executives of Fulton, and concluded that there were no conflicts present, and ratified all the transactions reviewed.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act, requires Fulton's Executives, its principal accounting officer, its directors, and any persons owning 10% or more of Fulton's common stock, to file with the SEC, in their personal capacities, initial statements of beneficial ownership on Form 3, statements of changes in beneficial ownership on Form 4 and annual statements of beneficial ownership on Form 5. Persons filing such beneficial ownership statements are required by SEC regulation to furnish Fulton with copies of all such statements filed with the SEC. The rules of the SEC regarding the

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filing of such statements require that late filings of such statements be disclosed in Fulton's Proxy Statement. Based solely on Fulton's review of Forms 3 and 4 and amendments thereto furnished to Fulton during the 2014 fiscal year, including Forms 5 and amendments thereto furnished to Fulton, and on written representations from Fulton's directors, Executives and other officers, Fulton believes that all such statements were timely filed in 2014.

Board of Directors and Committee Evaluations

Pursuant to its charter, the Nominating and Corporate Governance Committee reviews and recommends to the Board of Directors guidelines and procedures to be used by directors in monitoring and evaluating the performance of the Board of Directors and its committees. The Board of Directors and its committees, except the Executive Committee, conduct an annual self-evaluation of the performance of the Board of Directors and committees. Anonymous board and committee evaluation questionnaires were last completed in the fourth quarter of 2014. The results were compiled by Fulton's Legal Department and presented to the Nominating and Corporate Governance Committee in December 2014, and the members of each committee also received a summary report of the results of that committee's questionnaire. The Nominating and Corporate Governance Committee reported the results to the Board of Directors at its December 2014 regular meeting, and the Board of Directors and each of the committees discussed the summary of their respective annual evaluations.

Compensation of Directors

In 2013, the Board of Directors last reviewed and significantly updated the overall cash and equity compensation paid to the members of the Board of Directors. In determining to update the overall cash and equity compensation paid to the directors, the Board of Directors considered, among other factors, a survey of peer director compensation prepared by Fulton's compensation consultant. Annually, the Board of Directors ratifies director compensation as part of its organizational meeting, and this ratification of compensation was done in June 2014. The fees paid by Fulton to directors in 2014 were unchanged. Each member of the Board of Directors was paid a retainer fee and meeting fees for his or her services as a director, except that no fee is paid to any director who is also a salaried officer of Fulton. Thus, Mr. Wenger did not receive any director fees or additional compensation in 2014 for serving as a member of the Board of Directors. Non-employee directors receive a quarterly retainer of \$8,750 in cash. Non-employee directors are also paid a cash fee of \$2,000 for each Board of Directors meeting attended and \$1,000 in cash for each committee meeting attended, except the \$1,000 meeting fee is not paid when the committee meeting for a standing committee is held in conjunction with a regular Board of Directors meeting attended by the director. However, the members of the Compliance Committee are paid \$1,000 in cash per meeting attended regardless of when it is held. The Board of Directors has also approved, in certain circumstances, the payment of a \$1,000 per meeting cash fee for attending educational and other meetings. Directors are paid a cash fee of \$2,000 for any special Board of Directors meeting attended. The Lead Director also receives an additional quarterly cash retainer of \$7,500 and each committee chairperson receives an additional cash retainer of \$3,125 per quarter. If a director serves on the board of a Fulton subsidiary bank, he or she is paid separately for that service and amounts are included in the footnotes in the table below. In addition, directors are also paid \$1,000 in cash for attendance at Fulton-sponsored educational seminars and other meetings attended, but these seminars and meetings are not included for purposes of calculating director attendance rates since they are a voluntary activity.

Pursuant to the 2011 Directors' Equity Participation Plan (the "2011 Director Plan"), each non-employee director received two awards of shares of Fulton's common stock, without restriction or vesting requirements, having a market value of \$17,500, at the time of grant on June 1, 2014 and November 1, 2014, with each award rounded up to the next whole share. A similar \$17,500 stock award is expected to be made shortly after Fulton's 2015 Annual Meeting to all non-employee directors that are elected at the Annual Meeting, and an additional award is anticipated to be made on or about November 1, 2015.

Fulton also reimburses directors for business and other director-related expenses incurred in the performance of their service as directors of Fulton and provides non-employee directors with a \$50,000 term life insurance policy while they are directors. Certain directors have elected to participate in the Fulton Deferred Compensation Plan, under which a director may elect not to receive his or her cash director's fees when earned, but instead, to receive them, together with any returns earned on investments selected by the participating director, in a lump sum or in installments over a period of up to twenty (20) years following retirement. The only current non-employee Fulton directors who have previously established accounts to defer fees or had balances from prior years are Directors Bond, Devine, Smith and Waters.

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Certain Fulton directors also serve on the boards of certain Fulton subsidiary banks, and these directors are compensated with a retainer, meeting fees, or both for their service on each of those individual boards. The following table summarizes all of the compensation paid to and received by each non-employee Fulton director who served during 2014.

DIRECTOR COMPENSATION TABLE

Name ¹	Fees	Stock	Option	Non-Equity	Change in	All Other	Total
	Earned or Paid in Cash	Awards ²	Awards	Incentive Plan Compensation	Pension Value and Nonqualified Deferred Compensation Earnings	^{3 4} Compensation	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Joe N. Ballard	20,667	0	0	0	0	0	20,667
John M. Bond, Jr.	84,000	35,000	0 ⁵	0	0	0	119,000
Lisa Crutchfield	30,417	17,500	0	0	0	0	47,917
Craig A. Dally	71,500	35,000	0	0	0	0	106,500
Denise L. Devine	62,000	35,000	0	0	0	0	97,000
Patrick J. Freer	58,000	35,000	0	0	0	0	93,000
George W. Hodges	93,000	35,000	0	0	0	0	128,000
Albert Morison III	83,000	35,000	0	0	0	0	118,000
R. Scott Smith, Jr.	58,000	35,000	0	0	0	16,866 ₆	109,866
Gary A. Stewart	70,500	35,000	0	0	0	0	105,500
Ernest J. Waters	85,042	35,000	0	0	0	0	120,042

¹ Directors listed represent all the non-employee Directors of Fulton serving during 2014. Director Ballard retired as a director of Fulton effective with the 2014 Annual Meeting.

² Fulton's non-employee Directors were granted Fulton common stock as part of their 2014 compensation pursuant to the 2011 Director Plan. A \$17,500.00 equity award in 1,459 shares of common stock was granted on June 1, 2014 and a second \$17,500.00 equity award in 1,479 shares of common stock was granted on November 1, 2014. The awards were granted without restriction or vesting requirements, were rounded up to the next whole share of Fulton common stock, and the amount shown does not reflect the value of any dividends on these shares during 2014. Director Ballard retired as a director of Fulton and was not eligible to receive any equity awards in 2014.

³ Unless otherwise noted, the amount excludes perquisites and other personal benefits with an aggregate value of less than \$10,000. Fulton's methodology to calculate the aggregate incremental cost of perquisites and other personal benefits was to use the amount disbursed for the item. Where a benefit involved assets owned by Fulton, an estimate of the incremental cost was used.

⁴ In addition to the fees listed in the table, Fulton also paid \$48 per year for an individual \$50,000 term life insurance policy for each of the Directors during 2014. Some of Fulton's Directors also serve on boards of Fulton's subsidiary banks and received director fees for bank board service. During 2014, Director Ballard received \$3,800 in fees from The Columbia Bank, Director Bond received \$16,500 in fees from The Columbia Bank, Director Dally received \$17,800 in fees from Lafayette Ambassador Bank, Director Hodges received \$26,000 in fees from Fulton Bank, N.A., and Director Waters received \$26,750 in fees from Fulton Bank, N.A.

⁵ Fulton Directors did not receive options as part of their 2014 compensation; however, as of December 31, 2014, Mr. Bond held 28,684 exercisable options that previously were awarded to him by Columbia Bancorp, which was acquired by Fulton in February 2006.

⁶ This includes \$13,626 for club membership fees and other perquisites received by Director Smith during 2014.

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INFORMATION CONCERNING COMPENSATION

Compensation Discussion and Analysis

Executive Summary

Fulton believes that the compensation of its Executives should reflect Fulton's overall performance and the contribution of its Executives to that performance. Cash awards (Annual Cash Incentive Awards) and long term equity (LTI) awards earned by the Executives under Fulton's Amended and Restated Equity and Cash Incentive Compensation Plan (the 2013 Plan) are determined based on performance goals and the HR Committee's subjective assessment of Fulton's and the Executives' performance in the preceding year.

Fulton's Annual Report on Form 10-K, for the year ended December 31, 2014, which is included with this Proxy Statement, includes highlights of Fulton's 2014 performance, including diluted earnings per share growth, average loan and core deposit growth, improvement in asset quality, a decrease in non-interest expenses and continued strong capital levels, which were achieved despite revenue growth challenges resulting primarily from the persistent low interest rate environment and competition. Some of those highlights are:

Net Income Per Share Growth Diluted net income per share increased \$0.01, or 1.2%, to \$0.84 per diluted share, compared to \$0.83 in 2013.

Core Deposit Growth Average demand and savings deposit accounts increased \$530.7 million, or 5.7%, in comparison to 2013.

Loan Growth Average loans increased \$306.7 million, or 2.4%, in comparison to 2013, with notable increases in commercial mortgages, residential mortgages and construction loans.

Asset Quality Overall asset quality improved in 2014, with decreases in non-performing loans, net charge-offs and overall delinquency levels resulting in a 69.1% decrease in the provision for credit losses to \$12.5 million.

During 2014, the HR Committee made the following awards and decisions impacting compensation for the Executives:

Salaries: In 2014, Messrs. Wenger, Barrett, Shreiner, Roda and Rohrbaugh each received base salary increases ranging from 1.375% to 2.75%, based on an assessment of their individual performance, and the results of a review by the independent compensation consultant retained by the HR Committee, McLagan, an Aon Hewitt Company, of base salaries of comparable executives employed by institutions within Fulton's peer group. These 2014 salary increases were effective April 1, 2014.

Annual Cash Incentive Awards: As in previous years, the actual payout levels of the Annual Cash Incentive Awards to the CEO and the other Executives were determined based on an assessment of Fulton's and each Executive's performance measured through the use of a scorecard for each of the Executives, with the scorecard reflecting a series of qualitative and quantitative criteria established annually for each of the Executives and designed to measure performance in achieving certain of Fulton's financial targets relative to Fulton's peers, risk management goals, and business objectives specific to each of the Executives, and HR Committee discretion to reduce the amount of any Annual Cash Incentive Award determined based on scorecard performance.

Annually, the HR Committee establishes a target amount for the Annual Cash Incentive Award expressed as a percentage of base salary for Mr. Wenger and the other Executives. In the table below, the second column reflects the percentage of the potential target Annual Cash Incentive Award for 2014 performance for Mr. Wenger and the other Executives based solely on their performance measured through their respective scorecards, and the third column reflects the actual Annual Cash Incentive Awards paid to Mr. Wenger and the other Executives based on scorecard performance and the exercise, if any, of the HR committee's discretion to reduce the amount of any Annual Cash Incentive Award determined based on scorecard performance. With respect to the Annual Cash Incentive Awards paid to the Executives for 2014 performance, the HR Committee did not exercise its discretion to reduce the amounts of the Annual Cash Incentive Awards.

	% of Target - Determined under 2014 Scorecard	Annual Cash Incentive Award Paid for 2014 Performance
Wenger	39%	\$316,091
Other Executives	34% to 45%	\$68,473 to \$100,307

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2014 LTI Performance Awards: In 2014, Fulton utilized a new long-term incentive plan design under the 2013 Plan where performance stock units (Performance Shares) were granted to the Executives on a formulaic basis, Performance Shares are earned, and subsequently vest based on Fulton s future performance and satisfaction of the Continuous Service requirement defined in the 2013 Plan.

Grant Value: Performance Shares were granted initially at the target number of units, calculated based on a percentage of each Executive s base salary and the price of Fulton stock on the April 1, 2014 grant date. For 2014, the target number of Performance Shares was determined using 125% of base salary for the CEO and 75% of base salary for the other Executives.

Performance Measurement: The Performance Shares are comprised of three component parts: (i) 37.5% of the number of Performance Shares are contingent on Fulton s future 3-year total shareholder return (TSR) as compared to peers; (ii) 37.5% of the number of Performance Shares is contingent on Fulton meeting an absolute 2014 return on assets (ROA) goal; and (iii) 25% of the number of Performance Shares is subject to time-vesting.

Results: Fulton s 2014 ROA of 0.93% was sli