

BancorpSouth, Inc.
Charter of the
Executive Compensation and Stock Incentive Committee of
the Board of Directors

1. Purpose

The Executive Compensation and Stock Incentive Committee (the “Committee”) of BancorpSouth, Inc. (the “Company”) shall determine, together with the other independent directors of the Board as set forth in this Charter, the compensation of the Company’s Chief Executive Officer (“CEO”), and make recommendations to the Board with respect to the Company’s executive officers, as set forth in this Charter. The Committee has overall responsibility for approving, administrating and evaluating the Company’s incentive-compensation plans, equity-based plans and other compensation plans, policies and programs.

The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s annual proxy statement or annual report on Form 10-K in accordance with the applicable rules and regulations of the Securities and Exchange Commission (“SEC”) and the New York Stock Exchange (“NYSE”), as appropriate.

2. Composition

The Committee shall be comprised of no less than three directors, the exact number to be determined by the Board of Directors. Each Committee member shall meet the independence requirements of the SEC and the NYSE, as from time to time in effect.

The members of the Committee shall be selected and removed by the Board. Upon recommendation by the Nominating Committee in consultation with the Chief Executive Officer of the Company as outlined in the Nominating Committee Charter, the membership of the Executive Compensation and Stock Incentive Committee and the Chairman of the Executive Compensation and Stock Incentive Committee shall be presented to the Board of Directors of the Company for approval at the annual meeting of the Board, or at any duly called meeting of the Board to address any vacancies.

3. Meetings

The Committee will meet at least two times annually, and more frequently if circumstances dictate. The Committee should meet at least annually with the executive officers of the Company and other members of management in separate executive sessions to discuss any matters that the Committee or any of these persons believe should be discussed privately. The Committee may set its own rules of procedure and may delegate authority to subcommittees of its members. The Committee shall keep minutes of its actions.

4. Committee Authority and Responsibilities

- A. The Committee shall conduct its activities in accordance with the policies and principles set forth in the Company's Corporate Governance Principles.
- B. Compensation of the CEO.
- (i) The Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the Company's CEO, evaluate the CEO's performance in light of those goals and objectives, and, together with the other independent directors of the Board, determine and approve the CEO's compensation level based on this evaluation.
 - (ii) In determining and approving the CEO's compensation level as described above, the Committee, together with the other independent directors of the Board, shall determine and approve the CEO's (a) annual base salary level, (b) annual bonus, (c) awards under incentive-compensation plans and equity-based plans, (d) employment agreements, severance agreements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits plans or programs. In addition and to avoid confusion, the Committee is not precluded from approving awards under the Executive Performance Incentive Plan or any other plan or program (with or without ratification of the Board) as may be required to comply with applicable tax laws (i.e., Section 162(m) of the Internal Revenue Code).
 - (iii) In determining the long-term incentive component of the CEO's compensation, the Committee should consider, as appropriate, the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the Company's CEO in past years, and such other matters as they may deem relevant.
 - (iv) Notwithstanding anything herein to the contrary, nothing in this Charter should be construed as precluding discussion of the CEO's compensation with the Board generally, as it is not the intent of this Charter to impair communication among members of the Board.
- C. Compensation of the Other Executive Officers
- (i) The Committee shall annually review and recommend to the Board, for the Chief Operating Officer ("COO"), the Chief Financial Officer ("CFO") and other executive officers of the Company, (a) the annual base salary levels, (b) annual bonuses, (c) awards under incentive-compensation plans and equity-based plans, (d) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits plans or programs.

- (ii) The Board shall consider such recommendations and approve the appropriate compensation and other awards, agreements or other arrangements for the COO, CFO and other executive officers of the Company.
- D. The Committee shall make regular reports to the Board at least annually.
- E. The Committee shall have the sole authority to retain, at the Company's expense, and terminate any compensation consultant to be used to assist in the evaluation of executive officer compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors as the Committee deems necessary to carry out its duties, at the expense of the Company, without seeking prior approval of the Board or management.
- F. The Committee shall review and re-assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- G. The Committee shall also have any and all additional authority to conduct such other actions or responsibilities delegated to it by the Board of Directors.

5. Annual Performance Evaluation

The Committee will conduct an annual self-evaluation to determine whether it is functioning effectively. The Committee will receive comments from all directors and report annually to the Board with an assessment of its performance. This assessment will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Committee's contribution to the Company and specifically focus on areas in which the Board or senior management believes the Committee could improve.

Recommended by the Executive Compensation and Stock Incentive Committee and adopted by the Board of Directors on January 28, 2004.