

# **BancorpSouth, Inc. and BancorpSouth Bank**

## **Charter Of The**

### **Nominating Committee Of**

#### **The Board of Directors**

#### **1. Purpose**

The Nominating Committee (the “Committee”) of BancorpSouth, Inc. (the “Company”) and BancorpSouth Bank (the “Bank”) shall:

- Assist the Board of the Company and the Bank by identifying individuals qualified to become Board members of the Company and the Bank, respectively, consistent with criteria approved by each Board;
- Recommend to the Board of the Company and the Bank the director nominees for the next annual meeting of shareholders for each of the Company and the Bank, respectively; and
- Develop and recommend to the Board of the Company and the Bank a set of corporate governance principles applicable to the Company and the Bank.

#### **2. Composition**

The Committee shall be comprised of no less than three directors, the exact number to be determined by the Board of Directors of the Company. Each Committee member shall meet the independence requirements of the Securities and Exchange Commission (“SEC”) and the New York Stock Exchange (“NYSE”), as from time to time in effect.

The Committee shall be comprised of members of the Board of the Company and the Bank. Each member that serves on the Committee will serve as either a representative of the Board of the Company or the Bank. Each member that serves as a representative of the Company’s Board shall be selected and removed by the Board of Directors of the Company, in consultation with the Bank’s Board. Each member that serves as a representative of the Bank’s Board shall be selected and removed by the Board of Directors of the Bank, in consultation with the Company’s Board. The members of the Committee, with consent of the Board of Directors of the Company, shall designate a Chairman.

#### **3. Meetings**

The Committee will meet as frequently as circumstances dictate, but at least annually. 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 activities.

#### **4. Committee Authority and Responsibilities**

- A. The Committee shall conduct its activities in accordance with the policies and principles set forth in the Corporate Governance Principles and shall also function as the Corporate Governance Committee.
- B. The Committee shall develop criteria, which shall be considered, changed (if appropriate) and approved by each Board, for selection of members of the Board of the Company and the Bank and their committees. The Committee shall review with the Board of the Company and the Bank, on an annual basis, the requisite skills and characteristics of new members of the Board of the Company and the Bank as well as the composition of the appropriate Board as a whole. This assessment will include members' independence, as well as consideration of diversity, age, ownership, influence, skills such as understanding of financial services industry issues, etc. - all in the context of an assessment of the perceived needs of the Company and/or the Bank at that point in time.

In a complex and highly dynamic industry such as financial services, a sizable portion of the Board of the Company and the Board should have extended tenure (multiple terms of service) to ensure that individual Board members and the appropriate Board as a whole will:

- Achieve the knowledge and understanding necessary to adopt effective and appropriate corporate policies and oversee senior management performance.
  - Have a working understanding of the financial services industry, which is characterized by rate cycles plus periods of competitive restructuring, which require that a sufficient number of directors, at a given point in time, possess the historical experience of the Company and/or the Bank and the industry needed to establish a realistic context supportive to Board deliberations and actions.
- C. The Committee and the Chief Executive Officer of the Company and the Bank shall actively seek individuals qualified to become Board members for recommendation to the Board of the Company and the Bank, respectively, and to the shareholders and shall consider nominees proposed by the Company's shareholders to serve on the Company's Board that are properly submitted in accordance with the Company's Bylaws. The Committee shall have the sole authority to retain, at the Company's expense, and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms. The Committee should meet at least annually, in consultation with the Chief Executive Officer of the Company and the Bank, to discuss the qualifications of potential new members of

the Board of the Company and the Bank. After consulting with the Chief Executive Officer of the Company and the Bank, the Committee shall recommend the director nominees and committee members (and chairmanships thereof) to the appropriate Board for approval.

- D. The Committee will be responsible for overseeing the annual evaluation of the Board of the Company and the Bank and senior management of each company.
- E. Unless a majority of the Board designates a presider, the Chairman shall also preside at all meetings of the non-management Directors of the Company at meetings to be held at least semi-annually.
- F. The Committee shall make reports to the Board of the Company and the Bank at least annually.
- G. The Committee shall have authority to obtain advice and assistance from internal and 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 Company's Board or management.
- H. The Committee shall review and re-assess the adequacy of this Charter and the Corporate Governance Principles annually and recommend any proposed changes to the Board of the Company and the Bank for approval.
- I. 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 of the Company and/or the Bank.
- J. The Committee shall evaluate and make recommendations to the Board the form and amount of director compensation in accordance with the Nominating Committee Charter and the Corporate Governance Principles. The Committee shall conduct a review of director compensation every two years. The Committee shall consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company and/or the Bank makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company and/or the Bank enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

## **5. Annual Performance Evaluation**

The Committee will conduct an annual self-evaluation to determine whether it is functioning effectively. This shall require the Committee to receive comments from all directors of the Company and the Bank and report annually to the appropriate Board with an assessment of its performance. This assessment will be discussed with the full Board

of the Company and the Bank following the end of each fiscal year. The assessment will focus on the Committee's contribution to the Company and the Bank and specifically focus on areas in which the Board of the Company and the Bank or senior management of each company believes the Committee could improve.

Recommended by the Nominating Committee on August 27, 2003 and adopted by the Board of Directors of the Company on October 22, 2003 and the Board of Directors of the Bank on October 22, 2003.

Amended and approved by the Nominating Committee, Board of Directors of the Company, and the Board of Directors of the Bank on January 28, 2004.