

BANCORPSOUTH INC
Form DEF 14A
March 22, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A
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:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

BANCORPSOUTH, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

- (1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount previously paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing party:

(4) Date Filed:

**2017 Notice of
Annual Meeting
and Proxy Statement**

**One Mississippi Plaza
201 South Spring Street
Tupelo, Mississippi 38804**

March 22, 2017

TO THE SHAREHOLDERS OF

BANCORPSOUTH, INC.:

On Wednesday, April 26, 2017, at 9:00 a.m. (Central Time), the annual meeting of shareholders of BancorpSouth, Inc. will be held at the BancorpSouth Corporate Headquarters, Fourth Floor Board Room, One Mississippi Plaza, 201 South Spring Street, Tupelo, Mississippi 38804. You are cordially invited to attend and participate in the meeting.

Please read our enclosed Annual Report to Shareholders and the attached Proxy Statement. They contain important information about BancorpSouth and the matters to be addressed at the annual meeting.

Whether or not you plan to attend the annual meeting, I urge you to vote your proxy as soon as possible to assure your representation at the meeting. For your convenience, you can vote your proxy in one of the following ways:

Use the Internet at the website shown on your proxy card;

Use the telephone number shown on your proxy card; or

Complete, sign, date and return your proxy card in the postage-paid envelope provided.

Instructions regarding each method of voting are contained in the attached Proxy Statement and on the enclosed proxy card. If you attend the annual meeting and desire to vote your shares personally rather than by proxy, you may withdraw your proxy at any time before it is exercised.

I look forward to seeing you at this year's annual meeting.

Sincerely,

JAMES D. ROLLINS III

*Chairman of the Board and
Chief Executive Officer*

Enclosures:

1. Proxy Card and Business Reply Envelope
2. Annual Report to Shareholders

YOUR VOTE IS VERY IMPORTANT.

**PLEASE VOTE YOUR PROXY PROMPTLY BY INTERNET, TELEPHONE OR BY
COMPLETING, SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD.**

**One Mississippi Plaza
201 South Spring Street
Tupelo, Mississippi 38804**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held April 26, 2017

TO THE SHAREHOLDERS OF

BANCORPSOUTH, INC.:

The annual meeting of shareholders of BancorpSouth, Inc. will be held on Wednesday, April 26, 2017, at 9:00 a.m. (Central Time) at the BancorpSouth Corporate Headquarters, Fourth Floor Board Room, One Mississippi Plaza, 201 South Spring Street, Tupelo, Mississippi 38804 for the following purposes:

- (1) To elect seven (7) directors;
- (2) To conduct a non-binding, advisory vote on the compensation of our named executive officers;
- (3) To conduct a non-binding, advisory vote to determine whether a non-binding, advisory shareholder vote to approve the compensation of our named executive officers should occur every one, two or three years;
- (4) To ratify the Audit Committee's appointment of KPMG LLP as the independent registered public accounting firm of BancorpSouth, Inc. for the year ending December 31, 2017; and
- (5) To transact such other business as may properly come before the annual meeting or any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on March 15, 2017 as the record date for determining shareholders entitled to notice of and to vote at the meeting.

By order of the Board of Directors,

JAMES D. ROLLINS III
*Chairman of the Board and
Chief Executive Officer*

March 22, 2017

IMPORTANT:

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON, TO ASSURE THE PRESENCE OF A QUORUM, PLEASE VOTE YOUR PROXY PROMPTLY BY INTERNET, TELEPHONE OR BY COMPLETING, SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD. IF YOU ATTEND THE ANNUAL MEETING AND WISH TO VOTE YOUR SHARES PERSONALLY, YOU MAY DO SO AT ANY TIME BEFORE THE PROXY IS EXERCISED.

TABLE OF CONTENTS

<u>PROXY STATEMENT</u>	1
<u>GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING</u>	1
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	2
<u>Size and Tenure of Board of Directors</u>	2
<u>Retirement Policy</u>	2
<u>Required Vote and Voting Process</u>	2
<u>Majority Vote Policy</u>	2
<u>Nominees for Election</u>	2
<u>Director Nominees Background and Qualifications</u>	3
<u>Continuing Directors Background and Qualifications</u>	6
<u>Voting Recommendation</u>	8
<u>CORPORATE GOVERNANCE</u>	9
<u>Role of the Board of Directors</u>	9
<u>Director Attendance at Board, Committee and Annual Meetings</u>	9
<u>Committees of the Board of Directors</u>	9
<u>Communications with the Board of Directors</u>	12
<u>Governance Information</u>	12
<u>Director Independence</u>	12
<u>Director Qualification Standards</u>	13
<u>Board Leadership Structure</u>	13
<u>Executive Sessions</u>	14
<u>Stock Ownership Guidelines</u>	14
<u>Risk Oversight</u>	14
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	16
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	18
<u>Executive Summary</u>	18
<u>Compensation Overview</u>	19
<u>Compensation Policy</u>	20
<u>Compensation Process</u>	22
<u>Components of Compensation</u>	23
<u>Internal Revenue Code Section 162(m)</u>	30
<u>Accounting for Stock-Based Compensation</u>	30
<u>Employment Agreements and Change in Control Arrangements</u>	30
<u>Retirement Benefits</u>	31
<u>Life Insurance Plans</u>	32
<u>Risk Management Considerations</u>	33
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	34
<u>EXECUTIVE COMPENSATION AND STOCK INCENTIVE COMMITTEE REPORT</u>	35
<u>EXECUTIVE COMPENSATION</u>	36

<u>Summary Compensation Table</u>	36
<u>Realized Compensation for 2016</u>	37
<u>Grants of Plan-Based Awards</u>	38
<u>Outstanding Equity Awards at 2016 Fiscal Year-End</u>	39
<u>Option Exercises and Stock Vested</u>	39
<u>Pension Benefits</u>	40
<u>Nonqualified Deferred Compensation</u>	44
<u>Potential Payments Upon Termination or Change-in-Control</u>	44

<u>DIRECTOR COMPENSATION</u>	48
<u>PROPOSAL 2: NON-BINDING, ADVISORY VOTE REGARDING THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS</u>	50
<u>Say On Pay</u>	50
<u>Required Vote</u>	50
<u>Vote is Non-Binding and Advisory</u>	50
<u>Voting Recommendation</u>	50
<u>PROPOSAL 3: NON-BINDING, ADVISORY VOTE REGARDING THE FREQUENCY OF A NON-BINDING, ADVISORY VOTE ON THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS</u>	51
<u>Say When On Pay</u>	51
<u>Required Vote</u>	51
<u>Vote is Non-Binding and Advisory</u>	51
<u>Voting Recommendation</u>	51
<u>AUDIT COMMITTEE REPORT</u>	52
<u>PROPOSAL 4: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	53
<u>Services and Fees of Independent Registered Public Accounting Firm</u>	53
<u>Pre-Approval of Audit and Non-Audit Services</u>	53
<u>Presence of Representatives of Independent Registered Public Accounting Firm</u>	53
<u>Required Vote</u>	53
<u>Voting Recommendation</u>	53
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	54
<u>GENERAL INFORMATION</u>	55
<u>Counting of Votes</u>	55
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	55
<u>Shareholder Nominations and Proposals</u>	55
<u>Householding of Proxy Materials and Annual Reports</u>	56
<u>Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting</u>	57
<u>Special Meetings of Shareholders</u>	57
<u>Amendments to our Amended and Restated Articles and Bylaws</u>	57
<u>Miscellaneous</u>	57

One Mississippi Plaza

201 South Spring Street

Tupelo, Mississippi 38804

PROXY STATEMENT

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

This Proxy Statement is furnished in connection with the solicitation of proxies by our Board of Directors for the purposes set forth in the accompanying notice. The proxies will be voted at our annual meeting of shareholders to be held at the BancorpSouth Corporate Headquarters, Fourth Floor Board Room, One Mississippi Plaza, 201 South Spring Street, Tupelo, Mississippi 38804 on April 26, 2017, at 9:00 a.m. (Central Time), and at any adjournments or postponements thereof. This Proxy Statement and the accompanying Annual Report to Shareholders and proxy card are first being sent to shareholders on or about March 22, 2017.

If a proxy is properly given by a shareholder of record and not revoked, it will be voted in accordance with the instructions provided, if any, and if no instructions are provided, it will be voted:

FOR the election of each of the seven (7) director nominees to serve on the Board of Directors;

FOR the approval of the compensation of our Named Executive Officers;

1 YEAR with respect to how frequently a non-binding, advisory shareholder vote to approve the compensation of our named executive officers should occur;

FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2017; and

In accordance with the recommendations of our Board of Directors on any other proposal that may properly come before the annual meeting.

Shareholders are encouraged to vote their proxies by Internet, telephone or completing, signing, dating and returning the enclosed proxy card. Shareholders should only vote by one of the foregoing methods. If a shareholder votes by more than one method, only the last vote that is submitted will be counted, and each previous vote will be disregarded. A shareholder who votes by proxy using any method before the annual meeting has the right to revoke the proxy at any time before it is exercised by submitting a written request to us or by voting another proxy at a later date. The grant of a proxy will not affect the right of any shareholder to attend the annual meeting and vote in person. For a general description of how votes will be counted, please refer to the section below entitled **GENERAL INFORMATION** Counting of Votes.

Pursuant to the Mississippi Business Corporation Act and our governing documents, a proxy to vote submitted by Internet or telephone has the same validity as one submitted by mail. To submit a proxy to vote by Internet, access the

website www.envisionreports.com/bxs, enter the 15-digit control number found on the enclosed proxy card and follow the instructions on the website. To submit a proxy to vote by telephone, call toll free 1-800-652-8683, enter the 15-digit control number on the enclosed proxy card and follow the instructions. A proxy to vote by Internet or telephone may be submitted at any time until 2:00 a.m. (Central Time) on April 26, 2017 and either method should only require a few minutes to complete. To submit a proxy to vote by mail, complete, sign, date and return the enclosed proxy card in the enclosed business reply envelope.

If shares are held in street name through a broker, bank or other holder of record, the beneficial holder will receive instructions from the registered holder that must be followed in order for the shares to be voted on behalf of the beneficial holder. Each method of voting listed above is offered to shareholders who own their shares through a broker, bank or other holder of record. If a beneficial holder provides specific voting instructions, the shares will be voted as instructed and as the proxy holders may determine within their discretion with respect to any other matters that may properly come before the annual meeting.

The close of business on March 15, 2017 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting. As of such date, we had 500,000,000 authorized shares of common stock, \$2.50 par value per share, of which 93,590,931 shares were outstanding, and 500,000,000 authorized shares of preferred stock, \$0.01 par value per share, of which no shares were outstanding. Each share of our common stock is entitled to one vote. The common stock is our only outstanding class of voting stock. Holders of a majority of the outstanding shares of our common stock must be present, in person or by proxy, to constitute a quorum for the transaction of business at the annual meeting.

PROPOSAL 1: ELECTION OF DIRECTORS

Size and Tenure of Board of Directors

Our Amended and Restated Articles of Incorporation (the *Articles*) provide that the Board of Directors shall consist of at least nine (9) and no more than fifteen (15) members, with the exact number to be determined from time to time by the full Board of Directors. Currently, the Board of Directors has thirteen (13) members. In addition, the Articles provide that the Board of Directors shall be divided into three classes of as nearly equal size as possible. Approximately 70% percent of the continuing non-executive directors on our Board have a tenure of nine years or less.

Retirement Policy

Our retirement policy for directors provides that directors' normal retirement age is 75. Any director who reaches the age of 75 during his or her term of office may continue to serve until expiration of the then-current term; thereafter, under appropriate circumstances, a director may be eligible for nomination to the Board only with Board approval. Our Nominating and Corporate Governance Committee may also consider new candidates for the Board who are 75 years of age or older under appropriate circumstances.

Required Vote and Voting Process

Directors are elected by a plurality of the votes cast by the holders of shares of our common stock represented at a meeting at which a quorum is present. The holders of our common stock do not have cumulative voting rights with respect to the election of directors. Consequently, each shareholder may cast only one vote per share for each nominee. Unless a proxy specifies otherwise, the persons named in the proxy shall vote the shares covered by the proxy for the nominees listed below. Should any nominee become unavailable for election, shares covered by a proxy will be voted for a substitute nominee selected by the current Board of Directors.

Majority Vote Policy

Our Amended and Restated Bylaws provide that, in an uncontested election, any nominee for director who receives a greater number of votes withheld from than votes for his or her election must promptly tender his or her resignation following certification of the shareholder vote. The Nominating and Corporate Governance Committee will consider any such resignation offer and recommend to the Board of Directors whether to accept it. The Board of Directors will act on any such recommendation of the Nominating and Corporate Governance Committee within 90 days following certification of the shareholder vote.

Nominees for Election

The Board of Directors has nominated the seven (7) individuals named below in the sections entitled *Class II Nominees*, *Class I Nominees* and *Class III Nominees* to serve until the annual meeting of shareholders in 2020, 2018 or 2019 respectively, or until their earlier retirement. Each nominee has consented to be a candidate and to serve as a director if elected. The Board has no reason to believe that any nominee will be unavailable to serve as a director. Assuming the election of the seven (7) director nominees at the annual meeting of shareholders, the Board of Directors will consist of eleven (11) members with four (4) Class I directors, three (3) Class II directors and four (4) Class III directors. Current directors W.G. Holliman, Jr. and Robert C. Nolan will not be standing for re-election at the annual meeting.

The biographies in the table below show the name, age, principal occupation and directorships with other public companies held by each of the nominees designated by the Board of Directors for election as a director. In addition,

each of the nominees has had the principal occupation indicated for more than five years unless otherwise indicated. We have also provided a brief discussion of the specific experience, qualifications, attributes or skills that led to the Nominating and Corporate Governance Committee's conclusion that each nominee should serve as one of our directors.

Director Nominees Background and Qualifications

Class II Nominees

Gus J. Blass III, 65

Background: Mr. Blass is the General Partner of Capital Properties, LLC, an investment management company with which he has been associated for over 30 years. Mr. Blass has served on the boards of directors for public, non-public as well as non-profit organizations. Mr. Blass qualifies as an audit committee financial expert as defined under Securities and Exchange Commission regulations.

Class II - Term Expires in 2020

Directorships:

BancorpSouth, Inc. (*Since 2012*)
BancorpSouth Bank (*Since 2004*)
U.S. Bentonite, Inc.
St. Vincent Development Foundation
CHI St. Vincent's Medical Center
Positive Atmosphere Reaches Kids

Former Directorships:

Capital Savings and Loan
Pinnacle Bank of Little Rock
Heatwurx, Inc. (OTC BB: HUWX) (*audit committee member*)

Qualifications: Mr. Blass brings business knowledge and experience in real estate development to the Board. He also possesses significant and important institutional knowledge and an understanding of financial services industry issues through his service as a director of BancorpSouth Bank.

Deborah M. Cannon, 65

Background: Mrs. Cannon is the former President and Chief Executive Officer of Houston Zoo, Inc. from 2005 to 2015. From 1974 to July 2004, Mrs. Cannon served in a number of different positions with Bank of America, including as Executive Vice President and President of the Houston Region. Mrs. Cannon qualifies as an audit committee financial expert as defined under Securities and Exchange Commission regulations.

Class II - Term Expires in 2020

Directorships:

BancorpSouth, Inc. (*Since 2015*)
BancorpSouth Bank (*Since 2015*)

Memorial Hermann Health Systems (Chairman)

Former Directorships:

The United Way of the Texas Gulf Coast
Greater Houston Partnership (Former Chairman)

Qualifications: Mrs. Cannon brings to the Board valuable banking knowledge from her years of service in the financial services industry. She also brings valuable leadership and civic involvement to the Board through her service as a director of BancorpSouth Bank.

Warren A. Hood, Jr., 65

Background: Mr. Hood has served and continues to serve on numerous community and philanthropic boards. Mr. Hood is currently the Chairman and Chief Executive Officer of Hood Companies, Inc., a corporation with 60 manufacturing and distribution sites throughout the United States, Canada, and Mexico. Mr. Hood qualifies as an audit committee financial expert as defined under Securities and Exchange Commission regulations.

Class II - Term Expires in 2020

Directorships:

BancorpSouth, Inc. (*Since 2011*)
BancorpSouth Bank (*Since 2007*)
Hood Companies, Inc. (*Chairman*)
Southern Company (NYSE: SO) (*audit committee member*)

Former Directorships

First American Corporation
First American National Bank
Mississippi Power Company
Deposit Guaranty Corporation

Qualifications: Mr. Hood brings a wealth of governance and strategic planning experience, as well as skills navigating financial statements and financial disclosure issues, gained through his service on the board and the audit committee of another New York Stock Exchange listed company. He also possesses significant and important institutional knowledge and an understanding of financial services industry issues through his service as a director of BancorpSouth Bank.

Class I Nominees

Larry G. Kirk, 70

Background: Mr. Kirk served as the Chairman of the Board of both publicly held and non-profit organizations. Mr. Kirk currently serves as Chairman of the Audit Committee, a position he has held since 2003. Mr. Kirk qualifies as an audit committee financial expert as defined under Securities and Exchange Commission regulations.

Class I - Term Expires in 2018

Directorships:

BancorpSouth, Inc. (*Since 2002*) (*Chairman of the Audit Committee since 2003*)
BancorpSouth Bank (*Since 1996*)
Health Link, Inc.
Acclaim, Inc.
CREATE, Inc.

Journal, Inc.

Former Directorships:

Hancock Fabrics, Inc (*Chairman and Chief Executive Officer*)
(1996-2005)

Community Development Foundation
North Mississippi Health Services, Inc.

Qualifications: Mr. Kirk brings financial expertise and public accounting knowledge to the Board. He also possesses practical business experience as the former Chief Financial Officer and then Chief Executive Officer of a public company. He also possesses significant and important institutional knowledge and an understanding of financial services industry issues through his service as a director of BancorpSouth Bank.

Guy W. Mitchell III, 73

Background: Mr. Mitchell is an attorney with the law firm Mitchell, McNutt & Sams, P.A. Mr. Mitchell has been active in the practice of law since 1972. During the course of his career, Mr. Mitchell has advised numerous corporate clients concerning the risks involved in the operation of their businesses, industries, partnerships and associations. In his previous directorships Mr. Mitchell's duties were in the areas of analyzing financial results of operations, setting budgets, reviewing and approving compensation plans, and risk assessments. Mr. Mitchell represented the City of Tupelo, Mississippi as general counsel for over 30 years.

Class I - Term Expires in 2018

Directorships:

BancorpSouth, Inc. (*Since 2003*)
BancorpSouth Bank (*Since 2001*)
North Mississippi Health Services, Inc.
Community Development Foundation
CREATE, Inc.

Former Directorships:

Mitchell, McNutt & Sams, P.A.