

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION

EDWARD B. WINSLOW, Individually and on Behalf ) of All Others Similarly Situated, ) ) Plaintiff, ) ) vs. ) ) BANCORPSOUTH, INC., et al., ) ) Defendants. ) ) )	Civil Action No. 3:10-cv-00463 <u>CLASS ACTION</u> Judge Kevin H. Sharp Magistrate Judge John S. Bryant
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NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

***IF YOU PURCHASED OR OTHERWISE ACQUIRED BANCORPSOUTH, INC. ("BANCORPSOUTH") COMMON STOCK BETWEEN APRIL 23, 2009 AND JULY 22, 2010, INCLUSIVE, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.***

A federal court authorized this Notice. This is not a solicitation from a lawyer.

**Securities and Time Period:** BancorpSouth common stock (CUSIP: 059692103) purchased or acquired between April 23, 2009 and July 22, 2010, inclusive.

**Settlement Class:** The Court has conditionally certified a Settlement Class of all purchasers or acquirers of BancorpSouth common stock during the period between April 23, 2009 and July 22, 2010, inclusive. Excluded from the Settlement Class are Defendants, and each and all of Defendants' Related Parties (defined below in Question 6). Also excluded from the Settlement Class are those Persons who timely and validly request exclusion from the Settlement Class pursuant to this Notice.

**Reasons for Settlement:** Avoids the costs and risks associated with continued litigation, including the danger of no recovery, and provides a benefit to the Settlement Class now.

**If the Case Had Not Settled:** The Settlement must be compared to the risk of no recovery after contested motions, trial, and likely appeals. A trial is a risky proposition and Lead Plaintiff might not have prevailed. The claims in this case involve numerous complex legal and factual issues that would require extensive and costly expert testimony. Among the many key issues about which the two sides do not agree are: (1) whether any of the Defendants violated the securities laws or otherwise engaged in any wrongdoing; (2) whether the facts alleged by the Lead Plaintiff were material, false, misleading, or otherwise actionable under the securities laws; (3) whether the various facts alleged by the Lead Plaintiff influenced the trading prices of BancorpSouth common stock during the relevant period; (4) whether the price of BancorpSouth common stock was artificially inflated during the relevant period; (5) the amount (if any) of such inflation; and (6) the amount of damages (if any) that could be recovered at trial.

**Settlement Fund:** \$29,250,000 in cash. Your recovery will depend on the number of shares of BancorpSouth common stock purchased or acquired between April 23, 2009 and July 22, 2010, inclusive, and the timing of your purchases and any sales. If claims are submitted for 100% of the eligible shares of BancorpSouth common stock, the estimated average recovery per share of common stock will be approximately \$0.55 before deduction of Court-approved fees and expenses. The actual amount per share you could receive will depend on a number of factors, which are explained in the Plan of Allocation contained in Question 9 below.

**Attorneys' Fees and Expenses:** Co-Lead Counsel have not yet received any payment for their work investigating the facts, conducting this litigation, and negotiating the Settlement on behalf of the Lead Plaintiff and the Settlement Class. Co-Lead Counsel will ask the Court for attorneys' fees of 30% of the Settlement Fund and expenses not to exceed \$260,000 to be paid from the Settlement Fund. If the above amounts are requested and approved by the Court, the average cost per share of common stock will be approximately \$0.17, making the estimated average recovery per share after fees and expenses \$0.38 if claims are submitted for 100% of the eligible shares of BancorpSouth common stock.

**Deadlines:**

Submit Claim:	November 20, 2012
Request Exclusion:	October 9, 2012
File Objection:	October 9, 2012

**Court Hearing on Fairness of Settlement:** October 31, 2012, at 1:30 p.m.<sup>1</sup>

**More Information:** [www.gilardi.com](http://www.gilardi.com)

Claims Administrator: <i>BancorpSouth Securities Litigation</i> Claims Administrator c/o Gilardi & Co. LLC P.O. Box 8040 San Rafael, CA 94912-8040 Telephone: (888) 212-8296	Co-Lead Counsel: Rick Nelson c/o Shareholder Relations Robbins Geller Rudman & Dowd LLP 655 West Broadway, Suite 1900 San Diego, CA 92101 Telephone: (800) 449-4900	Jeffrey A. Berens Dyer & Berens LLP 303 East 17th Avenue, Suite 300 Denver, CO 80203 Telephone: (888) 300-3362
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- Your legal rights are affected whether you act or don't act. Read this Notice carefully.

#### **YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<b>SUBMIT A CLAIM</b>	The only way to receive a payment.
<b>OBJECT</b>	You may write to the Court if you do not like this Settlement.
<b>GO TO A HEARING</b>	You may ask to speak in Court about the fairness of the Settlement.
<b>DO NOTHING</b>	Receive no payment.
<b>EXCLUDE YOURSELF</b>	Receive no payment. This is the only option that allows you to participate in another lawsuit against the Defendants relating to the claims being released in this case.

- These rights and options — **and the deadlines to exercise them** — are explained in this Notice.
- The Court in charge of this case must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

#### **BASIC INFORMATION**

##### **1. Why Did I Receive This Notice Package?**

You or someone in your family may have purchased or acquired BancorpSouth common stock between April 23, 2009 and July 22, 2010, inclusive.

The Court sent you this Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Middle District of Tennessee, and the case is known as *Winslow v. BancorpSouth, Inc., et al.*, Civil Action No. 3:10-cv-00463. The individual who sued is called the Lead Plaintiff, and the company and individuals he sued, BancorpSouth, Aubrey B. Patterson, Jr., James V. Kelley, William L. Prater, and Gregg Cowsert, are called the Defendants.

##### **2. What Is This Lawsuit About?**

This case was brought as a class action alleging that Defendants made false and misleading statements about the operations and financial results of BancorpSouth's lending business, including adequacy of its loan loss reserves and the purported strength of its borrowing standards, loan controls, and credit quality. Lead Plaintiff contends that the Defendants violated the federal securities laws by knowingly and recklessly understating BancorpSouth's provision for credit losses in its financial statements (including its reserves for delinquent loans and charge-offs for non-performing loans) during the Settlement Class Period and that it misrepresented the nature and strength of its internal controls for evaluating and setting those reserves. Lead Plaintiff asserts that as a result of these and other actions, the market price of BancorpSouth's common stock was artificially and improperly inflated between April 23, 2009 and July 22, 2010 and that Settlement Class Members overpaid for BancorpSouth common stock purchased during this time period.

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<sup>1</sup> The Court may change this date to a later date and/or time without further written notice to you. Any different date or time will be posted on the Claims Administrator's website: [www.gilardi.com](http://www.gilardi.com).

Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Lead Plaintiff in this litigation, and Defendants believe that the evidence developed to date fails to support Lead Plaintiff's claims. Defendants also have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the litigation. Defendants further deny that the Lead Plaintiff or the Settlement Class have suffered or are entitled to recover damages in any amount, and they deny that the price of BancorpSouth's common stock was artificially inflated during the relevant period as the result of any alleged misrepresentations, omissions, or otherwise by Defendants. Defendants believe that their actions were at all times lawful, appropriate, and taken in good faith.

### **3. Why Is This a Class Action?**

In a class action, one or more people called class representatives (in this case the Court-appointed Lead Plaintiff Edward B. Winslow) sue on behalf of people who have similar claims. Here, all these people are called the Settlement Class or Settlement Class Members. One court resolves the issues for all Settlement Class Members, except for those who timely and validly exclude themselves from the Settlement Class. Judge Kevin H. Sharp is in charge of this class action.

### **4. Why Is There a Settlement?**

The Court did not decide in favor of the Lead Plaintiff or Defendants. Instead, both sides agreed to a settlement after extended negotiations involving an independent mediator. That way they avoid the cost and uncertainty of a trial, and eligible Settlement Class Members who submit valid claims will receive compensation. The Lead Plaintiff and his attorneys think the Settlement is best for all Settlement Class Members.

## **WHO IS IN THE SETTLEMENT**

To see if you will receive money from this Settlement, you first have to determine if you are a Settlement Class Member.

### **5. How Do I Know if I Am Part of the Settlement?**

The Settlement Class includes *all purchasers or acquirers of BancorpSouth common stock during the Settlement Class Period, which is between April 23, 2009 and July 22, 2010, inclusive.*

### **6. What Are the Exceptions to Being Included?**

You are not a Settlement Class Member if you are a Defendant or a Defendant's Related Party. You are a "Related Party" if you are one of BancorpSouth's past or present directors, executive officers as defined by Regulation O, 12 CFR 215, partners, members, insurers, co-insurers, reinsurers, principals, agents, controlling shareholders, attorneys, advisors, investment advisors, underwriters, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, privies, related or affiliated corporations or entities, and any entity in which BancorpSouth has a controlling interest. You are also a "Related Party" if you are a member of an Individual Defendant's immediate family; a present or former spouse; heir; executor, administrator, agent, insurer, reinsurer, attorney, personal or legal representative or other person acting in a representative capacity for an Individual Defendant; a successor or assign of an Individual Defendant; an entity in which an Individual Defendant and/or any member of an Individual Defendant's immediate family has or have a controlling interest (directly or indirectly); or a trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual Defendant and/or member of his immediate family. "Related Parties" specifically excludes KPMG LLP and any of BancorpSouth's past or present outside auditors.

You are also not a Settlement Class Member if you timely and validly request exclusion from the Settlement Class pursuant to this Notice.

NOTE: The Settlement Class specifically includes any BancorpSouth 401(k) Plan or other employee retirement benefit plan established under the Employee Retirement Income Security Act and/or any Person for whom BancorpSouth or any of its Related Parties holds BancorpSouth common stock in a fiduciary capacity, except to the extent any Person excluded above is a participant in such a retirement benefit plan and then such Person will not participate in any distribution to the retirement benefit plan from the Settlement Fund.

If you owned or sold BancorpSouth common stock during the Settlement Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you purchased or acquired BancorpSouth common stock during the Settlement Class Period.

### **7. I'm Still Not Sure if I Am Included.**

If you are still not sure whether you are included, you can ask for free help. You can call Rick Nelson of Robbins Geller Rudman & Dowd LLP at 800/449-4900 or Jeffrey A. Berens of Dyer & Berens LLP at 888/300-3362 for more information. Or you can fill out and return the claim form described in Question 10, to see if you qualify.

## **THE SETTLEMENT BENEFITS — WHAT YOU GET**

### **8. What Does the Settlement Provide?**

Defendants directors' and officers' liability insurers have agreed to pay \$29,250,000 in cash in settlement of this matter. The balance of this fund after payment of Court-approved attorneys' fees and expenses and the costs of claims

administration, including the costs of printing and mailing this Notice and the cost of publishing newspaper notice (the "Net Settlement Fund") will be divided among all eligible Settlement Class Members who send in valid claim forms.

### 9. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on the number of valid claim forms that Settlement Class Members send in and the number of shares of BancorpSouth common stock you purchased or acquired during the relevant period and when you bought and sold them. As discussed above in answer to Question 2, Lead Plaintiff contends that, during the Settlement Class Period, Defendants misrepresented and/or failed to disclose certain important facts about BancorpSouth's business. Lead Plaintiff asserts that, as a result, the price of BancorpSouth's common stock was "artificially inflated" during the Settlement Class Period and Settlement Class Members paid more for BancorpSouth common stock than they should have. The Plan of Allocation described below is based on this damage theory as well as U.S. Supreme Court decisions that limit recovery for certain purchases and sales during the Settlement Class Period.

The proposed allocation is also based on Co-Lead Counsel's assessment of the litigation risks to the Settlement Class based on the evidence that has been produced by Defendants or otherwise discovered as of the date of this Plan of Allocation. It is possible that, with further discovery, Co-Lead Counsel's assessment could have changed. However, Co-Lead Counsel believe that the following Plan of Allocation provides fair, reasonable, and adequate compensation to all Members of the Settlement Class based on the dates of their transactions in BancorpSouth common stock, and the risks to them in proving issues of falsity, scienter, and other elements of their claims as of the date on which they made their investment in BancorpSouth common stock.

The allocation is based on the following four market adjusted price declines:<sup>2</sup>

January 22, 2010:	\$ 0.91 per share
February 26, 2010:	\$ 2.90 per share
April 23, 2010:	\$ 0.97 per share
July 23, 2010:	\$ 2.86 per share

On January 21, 2010, after the market had closed, BancorpSouth announced its 4Q09 results, including increases to its loan loss reserves and other information regarding the performance of its loan portfolio. The following day, BancorpSouth's stock price declined \$0.91 per share, after adjusting for market and industry factors. Significant dispute exists regarding the extent to which prior loan loss reserves had been misrepresented and understated, if at all, and to what degree the information disclosed on January 21 should have been disclosed earlier in the fiscal year. Considering the totality of each side's arguments, it was assumed that the inflation relating to the January 21 disclosure was \$0.45 per share (or 50% of the 1/22/2010 decline).

On February 25, 2010, after the market closed, BancorpSouth announced that the loan loss reserves reported on January 21, 2010 had been incorrect and that as a result, it would delay the filing of its Form 10-K with the Securities and Exchange Commission. The following day, BancorpSouth's stock price declined \$2.90 per share, after adjusting for market and industry factors. While the information reported on February 25, 2010 clearly related to the 4Q09 results announced on January 21, 2010, significant dispute exists whether it also related to prior periods. Considering the totality of each side's arguments, it was assumed that the inflation relating to the February 25 disclosure was \$2.90 per share (or 100% of the 2/26/2010 decline) from January 22, 2010 through February 25, 2010, and \$1.45 per share (or 50% of the 2/26/2010 decline) prior to January 22, 2010.

On April 22, 2010, after the market had closed, BancorpSouth announced its 1Q10 results, including increases to its loan loss reserves and other information regarding the performance of its loan portfolio. The following day, BancorpSouth's stock price declined \$0.97 per share, after adjusting for market and industry factors. Significant dispute exists regarding the extent to which prior loan loss reserves had been misrepresented and understated, if at all, and to what degree the information disclosed on April 22 should have been disclosed at an earlier date. Considering the totality of each side's arguments, it was assumed that the inflation relating to the April 22 disclosure was \$0.48 per share (or 50% of the 4/23/2010 decline) from January 22, 2010 through April 22, 2010, and \$0.24 per share (or 25% of the 4/23/2010 decline) prior to January 22, 2010.

On July 22, 2010, after the market had closed, BancorpSouth announced its 2Q10 results, including increased loan loss reserves and other information regarding the performance of its loan portfolio. The following day, BancorpSouth's stock price declined \$2.86 per share, after adjusting for market and industry factors. Significant dispute exists regarding the extent to which prior loan loss reserves had been misrepresented and understated, if at all, and to what degree the information disclosed on July 22 should have been disclosed at an earlier date. Considering the totality of each side's

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<sup>2</sup>. The market adjusted declines were based on a regression analysis of BancorpSouth versus the Keefe, Bruyette & Woods Regional Bank Index during the Settlement Class Period, with indicator variables for 1/22/2010, 2/26/2010, 4/23/2010, and 7/23/2010.

arguments, it was assumed that the inflation relating to the July 22 disclosure was \$1.43 per share (or 50% of the 7/23/2010 decline) from January 22, 2010 through July 22, 2010, and \$0.71 per share (or 25% of the 7/23/2010 decline) prior to January 22, 2010.

1. For shares of BancorpSouth common stock that were ***purchased or acquired from April 23, 2009 through January 21, 2010***, and

(a) sold prior to January 22, 2010, the claim per share is \$0;

(b) sold from January 22, 2010 through February 25, 2010, the claim is the lesser of: (i) \$0.45 per share, (ii) the purchase price per share less the sales price per share, or (iii) the purchase price per share less \$23.17 per share (1/22/2010 closing price);

(c) sold from February 26, 2010 through April 22, 2010, the claim is the lesser of: (i) \$1.90 per share, (ii) the purchase price per share less the sales price per share, or (iii) the purchase price per share less \$19.47 per share (2/26/2010 closing price);

(d) sold from April 23, 2010 through July 22, 2010, the claim is the lesser of: (i) \$2.14 per share, (ii) the purchase price per share less the sales price per share, or (iii) the purchase price per share less \$22.33 per share (4/23/2010 closing price);

(e) retained at the end of July 22, 2010, the claim is the lesser of: (i) \$2.85 per share, or (ii) the purchase price per share less \$14.00 per share (7/23/2010 closing price).

2. For shares of BancorpSouth common stock that were ***purchased or acquired from January 22, 2010 through February 25, 2010***, and

(a) sold prior to February 26, 2010, the claim per share is \$0;

(b) sold from February 26, 2010 through April 22, 2010, the claim is the lesser of: (i) \$2.90 per share, (ii) the purchase price per share less the sales price per share, or (iii) the purchase price per share less \$19.47 per share (2/26/2010 closing price);

(c) sold from April 23, 2010 through July 22, 2010, the claim is the lesser of: (i) \$3.38 per share, (ii) the purchase price per share less the sales price per share, or (iii) the purchase price per share less \$22.33 per share (4/23/2010 closing price);

(d) retained at the end of July 22, 2010, the claim is the lesser of: (i) \$4.81 per share, or (ii) the purchase price per share less \$14.00 per share (7/23/2010 closing price).

3. For shares of BancorpSouth common stock that were ***purchased or acquired from February 26, 2010 through April 22, 2010***, and

(a) sold prior to April 23, 2010, the claim per share is \$0;

(b) sold from April 23, 2010 through July 22, 2010, the claim is the lesser of: (i) \$0.48 per share, (ii) the purchase price per share less the sales price per share, or (iii) the purchase price per share less \$22.33 per share (4/23/2010 closing price);

(c) retained at the end of July 22, 2010, the claim is the lesser of: (i) \$1.91 per share, or (ii) the purchase price per share less \$14.00 per share (7/23/2010 closing price).

4. For shares of BancorpSouth common stock that were ***purchased or acquired from April 23, 2010 through July 22, 2010***, and

(a) sold prior to July 23, 2010, the claim per share is \$0;

(b) retained at the end of July 22, 2010, the claim is the lesser of: (i) \$1.43 per share, or (ii) the purchase price per share less \$14.00 per share (7/23/2010 closing price).

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” date.

For Settlement Class Members who made multiple purchases or sales during the Settlement Class Period, the first-in, first-out (“FIFO”) method will be applied to such holdings, purchases, and sales for purposes of calculating a claim. Under the FIFO method, sales of common stock during the Settlement Class Period will be matched, in chronological order, against common stock purchased during the Settlement Class Period.

A Settlement Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Settlement Class Member had a net loss. All gains and losses (as calculated under the above plan) will be combined and thereafter netted against each other. In addition, no distribution will be made unless the amount of the check is at least \$10.00.

## **HOW YOU OBTAIN A PAYMENT — SUBMITTING A CLAIM FORM**

### **10. How Will I Obtain a Payment?**

To qualify for payment, you must be an eligible Settlement Class Member, send in a timely and valid claim form, and properly document your claim as requested in the claim form. A claim form is enclosed with this Notice. Read the

instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than November 20, 2012.

**11. When Will I Receive My Payment?**

The Court will hold a hearing on October 31, 2012, at 1:30 p.m. to decide whether to approve the Settlement. If Judge Sharp approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps several years. Everyone who sends in a claim form will be informed of the determination with respect to their claim. Please be patient.

**12. What Am I Giving Up to Receive a Payment or Stay in the Settlement Class?**

Unless you timely and validly exclude yourself, you are a Member of the Settlement Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the Released Claims in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims in this case against the Defendants. The terms of the release are included in the claim form that is enclosed.

**EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want a payment from this Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own for the Released Claims in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself or is sometimes referred to as opting out of the Settlement Class.

**13. How Do I Get Out of the Settlement Class?**

To exclude yourself from the Settlement Class you must send a letter by mail stating that you want to be excluded from *Winslow v. BancorpSouth, Inc., et al.*, Civil Action No. 3:10-cv-00463. You must include your name, address, telephone number, your signature, the number of shares of BancorpSouth common stock you purchased or acquired and/or sold between April 23, 2009 and July 22, 2010, the dates of your purchases and any sales, and the price(s) paid or received for each such purchase or sale. You must mail your exclusion request postmarked no later than October 9, 2012, to:

*BancorpSouth Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded in the way set forth above, you are not eligible to receive any settlement payment, and you cannot object to the Settlement. If you ask to be excluded in the way set forth above, you will not be legally bound by anything that happens in this lawsuit.

**14. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?**

No. Unless you timely and validly exclude yourself, you give up any right to sue the Defendants for the Released Claims in this Settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is October 9, 2012.

**15. If I Exclude Myself, Can I Receive Money from This Settlement?**

No. If you exclude yourself, do not send in a claim form. But, if you ask to be excluded in the way set forth above, you may be able to sue, continue to sue, or be part of a different lawsuit involving the Released Claims against the Defendants.

**THE LAWYERS REPRESENTING YOU**

**16. Do I Have a Lawyer in This Case?**

The Court appointed the law firms of Robbins Geller Rudman & Dowd LLP and Dyer & Berens LLP to represent you and other Settlement Class Members. These lawyers are called Co-Lead Counsel. You will not be directly charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

**17. How Will the Lawyers Be Paid?**

Co-Lead Counsel will ask the Court for attorneys' fees of 30% of the Settlement Fund and for expenses up to \$260,000, plus interest that is incurred, which includes payment of up to \$5,000 to the Lead Plaintiff for his representation of the Settlement Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Co-Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Co-Lead Counsel have committed a substantial amount of time and very significant expenses in litigating this case for the benefit of the Settlement Class. To date, Co-Lead Counsel have not been paid for their services in conducting this litigation on behalf of the Lead Plaintiff and the Settlement Class, nor for their substantial expenses. The fees requested will compensate Co-

Lead Counsel for their work in achieving the Settlement Fund. The Court will decide what is a reasonable fee award and may award less than the amount requested by Co-Lead Counsel.

### **OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the Settlement or some part of it.

#### **18. How Do I Tell the Court that I Do Not Like the Settlement?**

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees or expenses. You can state the reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *Winslow v. BancorpSouth, Inc., et al.*, Civil Action No. 3:10-cv-00463. You must include your name, address, telephone number, your signature, the number of shares of BancorpSouth common stock you purchased, acquired, and sold between April 23, 2009 and July 22, 2010, the dates of purchases and of any sales, and the reasons you object. Any objection **must** be mailed or delivered such that it is received by **each** of the following no later than October 9, 2012:

*Court:*

Clerk of the Court  
UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION  
Estes Kefauver Federal Building  
and United States Courthouse  
801 Broadway, Room 800  
Nashville, TN 37023

*Co-Lead Counsel for Lead Plaintiff:*

ROBBINS GELLER RUDMAN  
& DOWD LLP  
DENNIS J. HERMAN  
CHRISTOPHER M. WOOD  
Post Montgomery Center  
One Montgomery Street, Suite 1800  
San Francisco, CA 94104

DYER & BERENS LLP  
ROBERT J. DYER III  
JEFFREY A. BERENS  
303 East 17th Avenue, Suite 300  
Denver, CO 80203

*Counsel for Defendants:*

RILEY WARNOCK & JACOBSON, PLC  
STEVEN A. RILEY  
GREGORY S. REYNOLDS  
1906 West End Avenue  
Nashville, TN 37203

#### **19. What's the Difference Between Objecting and Excluding?**

Objecting is simply telling the Court that you do not like something about the Settlement. You can object **only if** you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

### **THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

#### **20. When and Where Will the Court Decide Whether to Approve the Settlement?**

The Court will hold a fairness hearing at 1:30 p.m., on October 31, 2012, at the United States District Court for the Middle District of Tennessee, Nashville Division, Estes Kefauver Federal Building and United States Courthouse, 801 Broadway, Nashville, Tennessee. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate.<sup>3</sup> The Court may move the date or time of the fairness hearing to a later date and/or time without further written notice to you. If the date or time of the fairness hearing is changed, the new date and/or time will be posted at [www.gilardi.com](http://www.gilardi.com). If there are objections, the Court will consider them. Judge Sharp will listen to people who have asked to speak at the hearing. The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take.

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<sup>3</sup> The papers in support of approval of the Settlement, the Plan of Allocation, and Co-Lead Counsel's fee and expense application will be submitted to the Court no later than September 17, 2012.

**21. Do I Have to Come to the Hearing?**

No. Co-Lead Counsel will answer any questions Judge Sharp may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

**22. May I Speak at the Hearing?**

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter saying that it is your intention to appear in *Winslow v. BancorpSouth, Inc., et al.*, Civil Action No. 3:10-cv-00463. You must include your name, address, telephone number, your signature, and the number of shares of BancorpSouth common stock purchased or acquired between April 23, 2009 and July 22, 2010, inclusive. Your notice of intention to appear must be received no later than October 9, 2012, by the Clerk of the Court, Co-Lead Counsel, and Defendants' counsel, at the four addresses listed in Question 18. If you intend to present evidence or witnesses, you must disclose that information and explain it in your letter. You cannot speak at the hearing if you exclude yourself from the Settlement Class.

**IF YOU DO NOTHING**

**23. What Happens if I Do Nothing at All?**

If you do nothing, you will be a Settlement Class Member. But you will not receive any money from this Settlement unless you submit a claim form. Unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the Released Claims in this case.

**GETTING MORE INFORMATION**

**24. Are There More Details About the Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated as of May 24, 2012. You can obtain a copy of the Stipulation of Settlement by going to [www.gilardi.com](http://www.gilardi.com), or by writing to Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, or from the Clerk's office at the United States District Court for the Middle District of Tennessee, Nashville Division, Estes Kefauver Federal Building and United States Courthouse, 801 Broadway, Nashville, Tennessee during regular business hours.

**25. How Do I Get More Information?**

You can call (800) 449-4900 or write to Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101 or call (888) 300-3362 or write to Jeffrey A. Berens, Dyer & Berens LLP, 303 East 17th Avenue, Suite 300, Denver, CO 80203, or visit the following website: [www.gilardi.com](http://www.gilardi.com).

**PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE**

**SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES**

The Court has ordered that if you held any BancorpSouth common stock purchased or acquired between April 23, 2009 and July 22, 2010, inclusive, as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

*BancorpSouth Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040  
notifications@gilardi.com

If you choose to mail the Notice and Proof of Claim and Release form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. If you do not intend to comply with the provisions of this section you are requested to notify the Claims Administrator of that fact at the address listed above.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for, or advancement of, reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: July 11, 2012

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION