

AMSOUTH BANCORPORATION
Form DEF 14A
March 15, 2004
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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

AmSouth Bancorporation

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(Name of Registrant as Specified In Its Charter)

(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:

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March 10, 2004

To our Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of AmSouth Bancorporation scheduled for 10:00 A.M. Eastern Daylight Saving Time on Thursday, April 15, 2004 at the Wyndham Harbour Island Hotel, 725 S. Harbour Island Boulevard, Tampa, Florida 33602. The matters scheduled for consideration at the meeting are described in the attached Notice of Meeting of Shareholders and Proxy Statement.

Your vote is important to us, no matter how many shares you own. Shareholders have a choice of voting over the Internet, by telephone or by using a traditional proxy card. Check your proxy card forwarded by AmSouth or your broker or other holder of record to see the voting options available to you. If you do attend the Annual Meeting and desire to vote in person, you may do so even though you have previously voted your proxy.

Also enclosed is AmSouth's 2003 Annual Report to Shareholders which contains additional information about AmSouth, including our letter to shareholders and a detailed discussion of our financial performance during the past year. We believe that this information will be useful and informative regarding the current status of your company.

Sincerely,

C. Dowd Ritter

Chairman, President and Chief

Executive Officer

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Post Office Box 11007

Birmingham, Alabama 35288

NOTICE OF MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 15, 2004

TO THE HOLDERS OF SHARES OF COMMON STOCK:

NOTICE IS HEREBY GIVEN that, pursuant to call of its Directors, the regular Annual Meeting of Shareholders of AMSOUTH BANCORPORATION will be held at the Wyndham Harbour Island Hotel, 725 S. Harbour Island Boulevard, Tampa, Florida 33602 on Thursday, April 15, 2004 at 10:00 A.M. Eastern Daylight Saving Time, for the purpose of considering and voting upon the following matters:

1. An AmSouth proposal to elect two directors of Class I to serve for a term of three years until the Annual Meeting of Shareholders in 2007 or until their successors are elected and qualify.
2. An AmSouth proposal to ratify the appointment of Ernst & Young, LLP as independent auditors of the Company to serve for the 2004 fiscal year.
3. An AmSouth proposal to approve the Employee Stock Purchase Plan.
4. An AmSouth proposal to amend the 1996 Long Term Incentive Compensation Plan.
5. An AmSouth proposal to approve the Stock Option Plan for Outside Directors.
6. Consideration of a shareholder proposal as set forth in the Proxy Statement, if presented to the meeting; and
7. The transaction of such other business as may properly come before the meeting or any adjournment thereof.

Your attention is directed to the accompanying Proxy Statement for further information with respect to the matters to be acted upon at the meeting.

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All holders of record of shares of AmSouth common stock (NYSE: ASO) at the close of business on February 17, 2004 are entitled to receive notice of the meeting and to vote at the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

March 10, 2004

Stephen A. Yoder
Secretary

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YOUR VOTE IS IMPORTANT

You can vote one of three ways:

- (a) Via the Internet: Visit the web site listed on your proxy card to vote via the Internet.
- (b) By Telephone: Call the toll-free number listed on your proxy card to vote by phone.
- (c) By Mail: Mark, sign, date and mail your proxy card in the enclosed postage-paid envelope.

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PROXY STATEMENT
DATED MARCH 10, 2004
AmSouth Bancorporation

P.O. Box 11007, Birmingham, Alabama 35288

For Annual Meeting of Shareholders

To be Held on April 15, 2004

GENERAL

We are delivering these proxy materials to solicit proxies on behalf of the Board of Directors of AmSouth Bancorporation (AmSouth or the Corporation or the Company) for the 2004 Annual Meeting of Shareholders to be held on April 15, 2004 and any adjournment or adjournments thereof.

We are mailing this Proxy Statement, together with a form of proxy and voting instruction card (proxy card) and the Company's annual report for the year ended December 31, 2003, or otherwise making them available through electronic delivery, starting on or about March 15, 2004, to shareholders entitled to vote at the meeting.

Shareholders Entitled to Vote at the Meeting

If you are a registered shareholder at the close of business on the record date, February 17, 2004, you are entitled to receive this notice and to vote at the meeting. There were 352,913,863 shares of common stock outstanding on the record date. You will have one vote on each matter properly brought before the meeting for each share of AmSouth common stock you own.

Electronic Access to Proxy Materials and Annual Report

Shareholders can elect to view future AmSouth Bancorporation proxy statements and annual reports over the Internet instead of receiving paper copies in the mail and thus can save AmSouth the cost of producing and mailing these documents. If you already have internet access, there will be no additional charge for you to have electronic access via the internet to our proxy materials and annual report.

If you are a registered shareholder, you can choose to receive future annual reports and proxy statements electronically by following the prompt if you choose to vote over the Internet. Registered shareholders, as well as most beneficial shareholders, can enroll to receive electronic delivery of materials by following the instructions on the Investor Relations Resource Center at our web site, www.amsouth.com, or by accessing www.icsdelivery.com/aso.

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Shareholders who choose to view future proxy statements and annual reports over the Internet will receive an e-mail with instructions containing the Internet address of those materials, as well as voting instructions, approximately four weeks before future meetings.

If you enroll to view AmSouth's future annual reports and proxy statements electronically and vote your proxy over the Internet, your enrollment will remain in effect for all future shareholders' meetings unless you cancel it. To cancel, registered shareholders should access www.icsdelivery.com/aso and follow the instructions to cancel your enrollment. If you hold your AmSouth stock in nominee name, check the information provided by your nominee for instructions on how to cancel your enrollment.

If at any time you would like to receive a paper copy of the annual report or proxy statement, please write to Investor Relations, AmSouth Bancorporation, P.O. Box 11007, Birmingham, Alabama 35288 or call us at 205-581-7890.

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IMPORTANT NOTICE REGARDING DELIVERY OF SECURITY HOLDER DOCUMENTS

The Securities and Exchange Commission (SEC) has issued rules regarding the delivery of proxy statements and information statements to households. These rules spell out the conditions under which annual reports, information statements, proxy statements, prospectuses and other disclosure documents of a particular company that would otherwise be mailed in separate envelopes to more than one person at a shared address may be mailed as one copy in one envelope addressed to all holders at that address. In accordance with that rule, AmSouth began householding all annual reports and proxy and information statements effective June 1, 2001.

If you are a new registered shareholder since the record date for our 2003 Annual Meeting and you choose not to have your annual reports and proxy and information statements sent to a single household address as described above, you must opt out by marking the designated box on the enclosed proxy card. If you are a registered shareholder and if you choose to opt out of the householding program at a future date, please write to Investor Relations, AmSouth Bancorporation, P.O. Box 11007, Birmingham, Alabama 35288 or call us at 205-581-7890 or 1-800-542-1061, and we will cease householding your annual reports and proxy and information statements within 30 days. If we do not receive instructions to remove your account(s) from this service, your account(s) will continue to be householded until we notify you otherwise. However, if at any time you would like a separate copy of the annual report or proxy statement, please write or call us at the address or phone number shown above, and we will deliver it promptly.

If you own your AmSouth stock in nominee name (such as through a broker), information regarding householding of disclosure documents should be forwarded to you by your broker.

How to Vote Your Shares

Your vote is important. Your shares can be voted at the Annual Meeting only if you are present in person or represented by proxy. Even if you plan to attend the meeting, we urge you to vote in advance. If you own your shares in record name, you may cast your vote one of three ways:

Vote by Internet: You can choose to vote your shares over the Internet site listed on the proxy card. This site will give you the opportunity to make your selections and confirm that your instructions have been followed. To take advantage of the convenience of voting on the Internet, you must subscribe to one of the various commercial services that offers access to the World Wide Web. *If you vote via the Internet, you do not need to return the proxy card.*

Vote By Telephone: You can also vote by phone at any time by calling the toll-free number (for residents of the U.S.) listed on the proxy card. To vote by phone follow the simple recorded instructions. *If you vote by phone, you do not need to return the proxy card.*

Vote by Mail: If you choose to vote by mail, simply mark the proxy card, and then date, sign and return it in the postage-paid envelope provided.

Shareholders who hold their shares beneficially in street name through a nominee (such as a broker) may be able to vote by telephone or the Internet as well as by mail. You should follow the instructions you receive from your nominee to vote these shares.

How to Revoke Your Proxy

You may revoke your proxy at any time before it is voted at the meeting by:

Properly executing and delivering a later-dated proxy (including a telephone or Internet vote);

Voting by ballot at the meeting; or

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Sending a written notice of revocation to the inspectors of election in care of the Corporate Secretary of AmSouth at the address shown on the cover of this proxy statement.

Cost of Proxy Solicitation

We will pay the expenses of soliciting proxies in connection with the Annual Meeting. Proxies may be solicited on our behalf through the mail, in person, by telephone, electronic transmission, or facsimile transmission. We have hired Morrow & Co., Inc. to assist with the solicitation of proxies for a fee of \$11,000 plus the reimbursement of any out-of-pocket expenses incurred. It is possible that Morrow & Co. may be paid additional fees depending upon the services rendered.

In accordance with the SEC and the New York Stock Exchange (NYSE) rules, AmSouth will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their expenses of sending proxies and proxy materials to the beneficial owners of AmSouth common stock.

Other Matters

The Board of Directors does not know of any matters that may be brought before the Annual Meeting other than as listed in the Notice of Meeting. If any other matters are properly introduced at the Annual Meeting for consideration, including consideration of a motion to adjourn the meeting to another time or place, the individuals named on the enclosed Proxy will vote on such matters in accordance with their discretion.

The Board's Recommendations

If you send a properly executed proxy without specific voting instructions, your shares represented by that proxy will be voted as recommended by the Board of Directors:

FOR the election of the two nominees as directors (see Item 1),

FOR the ratification of Ernst & Young as independent auditors (see Item 2),

FOR the approval of the Employee Stock Purchase Plan (see Item 3),

FOR the amendment of the 1996 Long Term Incentive Compensation Plan (see Item 4),

FOR the approval of the Stock Option Plan for Outside Directors (see Item 5), and

AGAINST the shareholder proposal, if presented (see Item 6).

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Shares of common stock, \$1.00 par value per share, are the only authorized securities of AmSouth entitled to vote, and each outstanding share is entitled to one vote. Only holders of record of common stock at the close of business on February 17, 2004 will be entitled to vote at the Annual Meeting. AmSouth is currently authorized to issue up to seven hundred and fifty million (750,000,000) shares of such common stock. As of February 17, 2004, there were 352,913,863 shares of common stock of AmSouth issued, outstanding and entitled to vote.

Shareholders who are participants in AmSouth's Direct Stock Purchase and Dividend Reinvestment Plan (the "DRP") and/or are AmSouth employees who participate in the AmSouth Stock Fund of the AmSouth Thrift Plan will find that the enclosed Proxy Card shows the total of the number of any shares held by them in their own names (but not in street name through a broker) as well as those shares, including fractions of shares, held on their behalf by the agent for the DRP and/or the trustee for the Thrift Plan.

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Voting in one of the ways previously described will allow voting of all shares, including those held by the DRP agent and the trustee for the Thrift Plan. Except with respect to the election of directors, the trustee for the Thrift Plan may, in its discretion, under the terms of the Thrift Plan, vote shares for which no directions have been received.

STOCK OWNERSHIP

At December 31, 2003 no person was known to the management of AmSouth to be the beneficial owner of more than five percent of AmSouth's outstanding common stock. The following table reflects the number of shares of AmSouth common stock (rounded to the nearest whole number) beneficially owned by (i) each director and nominee for director of AmSouth, (ii) the five most highly compensated executive officers who are not also directors (listed in the table under the heading Certain Executive Officers) and (iii) the directors, nominees and executive officers of AmSouth as a group.

All of the directors of AmSouth have elected to defer receipt of some or all of the retainer and meeting fees they are paid for service on the Board of Directors and to receive shares of AmSouth stock instead of cash when the deferred amounts are paid. Therefore, the ultimate value of the amounts deferred will be tied to the performance of AmSouth stock. As of February 17, 2004, the directors as a group held 84,019 shares of such deferred stock. Executive officers of AmSouth may make a similar election to defer receipt of bonuses and to receive shares of AmSouth stock when the deferred amounts are paid. Such stock, whether attributable to deferrals by directors or by executive officers, is hereinafter referred to as Deferred Stock.

Person, Group or Entity	AmSouth Shares Beneficially Owned(1)			Percent of Total Outstanding
	Sole Power(2)	Shared Power(3)	Aggregate	
DIRECTORS AND NOMINEES				
Earnest W. Deavenport, Jr.	60,367		60,367	*
Rodney C. Gilbert	46,323		46,323	*
Martha R. Ingram	88,730		88,730	*
Victoria B. Jackson	30,086	830	30,916	*
Ronald L. Kuehn, Jr.	54,580	240	54,820	*
James R. Malone	33,506	6,750	40,256	*
Charles D. McCrary	12,672		12,672	*
Claude B. Nielsen	45,215	3,491	48,706	*
C. Dowd Ritter	2,723,485(4)	19,333	2,742,818	*
Cleophus Thomas, Jr.	10,083	1,422	11,505	*
CERTAIN EXECUTIVE OFFICERS				
Candice W. Bagby	475,498(5)	3,300	478,798	*
Sloan D. Gibson	816,531(6)	72,325	888,856	*
W. Charles Mayer, III	618,553(7)	14,130	632,683	*
Beth E. Mooney	384,539(8)		384,539	*
E. W. Stephenson, Jr.	563,114(9)	64,000	627,114	*
Directors, Nominees and Executive Officers as a group (consisting of 21 persons)	7,577,037(10)	157,610	7,734,647	2.2%

* Less than one percent

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Notes

- (1) The number of shares reflected are shares which under applicable regulations of the SEC are deemed to be beneficially owned. Shares deemed to be beneficially owned under such regulations include shares as to which, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, either voting power or investment power is held or shared. The total number of shares beneficially owned is divided, where applicable, into two categories: shares as to which voting/investment power is held solely, and shares as to which voting/investment power is shared.
- (2) Unless otherwise indicated in the following notes, if a beneficial owner is shown as having sole power, the owner has sole voting and sole investment power, and if a beneficial owner is shown as having shared power, the owner has shared voting power and shared investment power. If ownership of restricted stock is shown, the individual has sole voting power, but no power of disposition. The amounts in this column include (a) shares of Deferred Stock held by the following directors in the amounts (rounded) shown: Deavenport 10,722; Gilbert 25,275; Ingram 4,695; Jackson 1,636; Kuehn 16,886; Malone 7,956; McCrary 5,272; Nielsen 9,648; and Thomas 1,929; and (b) stock options for 20,173 shares for each of directors Jackson, Kuehn, Malone, and Nielsen, stock options for 18,486 shares for directors Deavenport and Ingram; stock options for 10,950 shares for director Gilbert and stock options for 7,200 shares for director McCrary. These are options that can be exercised within 60 days. Option information for director Ritter is in footnote (4). For directors and executive officers, shares of Deferred Stock are held under deferred compensation plans and have no voting rights. Some individuals are beneficial owners of shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan. The individual has sole voting power, but no direct power of disposition over the shares held in the Stock Fund, but can elect to move monies in and out of the Fund and/or change the amount of contributions, thereby affecting the individual's balance in the Fund.
- (3) This column may include shares held in the name of, among others, a spouse, minor children or certain other relatives sharing the same home as the director, nominee or executive officer, as to all of which beneficial ownership is disclaimed by the respective director, nominee and executive officer.
- (4) Includes 1,891,287 shares which could be acquired within 60 days pursuant to stock options, 353,334 shares of restricted stock and 93,988 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan.
- (5) Includes 322,916 shares which could be acquired within 60 days pursuant to stock options, 50,000 shares of restricted stock and 2,287 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan.
- (6) Includes 598,033 shares which could be acquired within 60 days pursuant to stock options, 110,000 shares of restricted stock, 11,592 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan and 96,906 shares of Deferred Stock.
- (7) Includes 412,860 shares which could be acquired within 60 days pursuant to stock options, 75,000 shares of restricted stock and 11,223 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan.
- (8) Includes 284,050 shares which could be acquired within 60 days pursuant to stock options, 75,000 shares of restricted stock, 857 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan and 11,675 shares of Deferred Stock.
- (9) Includes 392,784 shares that could be acquired within 60 days pursuant to stock options, 75,000 shares of restricted stock, 4,995 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan and 7,036 shares of Deferred Stock.
- (10) 160,200 of these shares are held by the AmSouth Stock Fund of the AmSouth Thrift Plan, 977,150 of these shares are restricted stock, 5,264,969 of these shares could be acquired within 60 days pursuant to stock options and 209,064 are shares of Deferred Stock.

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As of February 17, 2004, AmSouth held 64,935,842 shares of its common stock as Treasury shares.

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ITEM 1 ELECTION OF DIRECTORS

General

Under AmSouth's Restated Certificate of Incorporation, the Board of Directors is divided into three classes, with the term of office of each class expiring in successive years. AmSouth's Bylaws provide that the number of directors will be fixed from time to time by the vote of two-thirds of the directors then in office who have been elected by the shareholders. The current number of directors is 10. The terms of Class I Directors expire at this Annual Meeting. The terms of Class II and Class III Directors will expire in 2005 and 2006, respectively. Effective at the Annual Meeting on April 15, 2004, Directors Gilbert and Jackson will retire in accordance with the retirement policies of the Board of Directors.

The Board of Directors is recommending the election to Class I of directors Claude B. Nielsen and Cleophus Thomas, Jr. Each of the Class I Directors elected at this Annual Meeting will serve three-year terms expiring at the 2007 Annual Meeting of Shareholders or until his respective successor is elected and qualified, except as provided in the Bylaws.

Proxies solicited by the Board of Directors will be voted for the election of the nominees named above, unless you withhold your vote. Management has no reason to believe that any nominee will be unable or unwilling to serve as a director if elected. However, if any one of them should become unavailable, the Board of Directors may reduce the size of the board or designate a substitute. If the board designates a substitute nominee, shares represented by proxies will be voted for the substitute nominee.

The names of the nominees, the retiring directors and the directors who will continue to serve unexpired terms and certain information relating to them, including the business experience of each during the past five years, follow. The directorships shown are with corporations subject to the registration or reporting requirements of the Securities Exchange Act of 1934 or registered under the Investment Company Act of 1940. Each of the directors of AmSouth is also a director of AmSouth Bank, a wholly-owned subsidiary of AmSouth.

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THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE FOLLOWING TWO NOMINEES FOR ELECTION AS A DIRECTOR:

NOMINEES FOR TERMS EXPIRING IN 2007 (CLASS I)

Claude B. Nielsen Director since 1993

Mr. Nielsen, 53, has been the President and Chief Executive Officer of Coca-Cola Bottling Company United, Inc., a soft drink bottler, since 1991, and its Chairman since May 2003. Mr. Nielsen also serves on the board of Colonial Properties Trust.

Cleophus Thomas, Jr. Director since 2002

Since January 2002, Mr. Thomas, 47, has been the Chairman and Chief Executive Officer of A.G. Gaston Company, the holding company of Booker T. Washington Insurance Company and subsidiaries. Between 1992 and 2002, he held various positions, including Vice President, Senior Vice President and Senior Executive Vice President, of Booker T. Washington Insurance Company. He was Of Counsel at the law firm Adams and Reese LLP from January 1998 until November 2003. Mr. Thomas serves on the board of Protective Investment Company.

DIRECTORS WHOSE TERMS EXPIRE IN 2005 (CLASS II)

Earnest W. Deavenport, Jr. Director since 1999

Mr. Deavenport, 65, was Chairman of the Board and Chief Executive Officer from 1994 through 2001 of Eastman Chemical Company, a manufacturer of plastic, chemical and fiber products. He also serves on the boards of Theragenics Corporation, King Pharmaceuticals, Inc. and Acuity Brands, Inc.

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James R. Malone Director since 1994

During 2003, Mr. Malone, 61, founded and became a Managing Partner of Qorval LLC, a financial and business restructuring and consulting firm. He was Chairman of the Board 1996 2004 and Chief Executive Officer 1997 2004 of HMI Industries, Inc., a producer of cleaners for residential and commercial use and other industrial manufactured products. From 2000 to 2003 Mr. Malone was a Managing Director of Bridge Associates LLC, which engaged in activities similar to those of Qorval. Mr. Malone serves on the board of Ametek, Inc.

DIRECTORS WHOSE TERMS EXPIRE IN 2006 (CLASS III)

Martha R. Ingram Director since 1999

Ms. Ingram, 68, is the Chairman of the Board of Ingram Industries Inc., a privately held company with diversified businesses in marine transportation, book distributing and insurance, a position she has held since 1995. She also serves on the board of directors of Ingram Micro, Inc.

Ronald L. Kuehn, Jr. Director since 1986

Mr. Kuehn, 68, has been Chairman of the Board of El Paso Corporation, a diversified energy company, since March 2003. From March 2003 to September 2003, Mr. Kuehn served as El Paso's Chief Executive Officer, and from September 2002 to March 2003, Mr. Kuehn was the Lead Director of El Paso. From January 2001 to March 2003, he was a business consultant. Mr. Kuehn served as President and Chief Executive Officer of Sonat Inc., a diversified energy company, from 1984 until his retirement in October 1999. He was Chairman of the board of directors of Sonat from 1986 until his retirement. He is a member of the board of directors of The Dun & Bradstreet Corporation, El Paso Corporation and Praxair, Inc.

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Charles D. McCrary Director since 2001

Mr. McCrary, 52, has been President and Chief Executive Officer of Alabama Power Company, a public utility, since October 2001. From April 2001 to October 2001, he served as President and Chief Operating Officer of Alabama Power. Mr. McCrary served as President of Southern Company Generation and Energy Marketing (and certain predecessor companies) (affiliate of public utility) from June 1998 to April 2001. He is a member of the board of directors of Alabama Power Company.

C. Dowd Ritter Director since 1993

Mr. Ritter, 56, has served as President and Chief Executive Officer of AmSouth and AmSouth Bank and Chairman of the Board of AmSouth Bank since 1996. He is also the Chairman of the Board of AmSouth, a position he held September 1996 to October 1999 and January 2001 to date. Mr. Ritter serves on the board of directors of Alabama Power Company.

DIRECTORS RETIRING AT THE 2004 ANNUAL MEETING

Rodney C. Gilbert Director since 1994

Mr. Gilbert, 64, has been President and Chief Executive Officer of RCG Consulting, LLC (general business consultant) since January 1999.

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Victoria B. Jackson Director since 1997

Since June 2000, Ms. Jackson, 49, has been President and Chief Executive Officer of Victoria Bellé, Inc., a company engaged in the design, manufacturing and marketing of specialty retail products. She served as President and Chief Executive Officer of DSS/ProDiesel, Inc. (a provider of diesel engine components) from 1977 to January 1999 and then as consultant from February 1999 to February 2000 to DSS/ProDiesel, Inc. Ms. Jackson serves on the board of directors of ArvinMeritor, Inc.

The Board of Directors

The full Board of Directors met six times during 2003. To assist it in carrying out its work, the Board of Directors has the following standing committees: Audit; Corporate Governance; Human Resources; and an Executive Committee.

Audit Committee

The Audit Committee currently consists of Directors Charles B. McCrary (Chairman), Earnest W. Deavenport, Jr., Rodney C. Gilbert, Ronald L. Kuehn, Jr., Claude B. Nielsen and Cleophus Thomas, Jr. This committee is charged by the Board of Directors with several major functions, including to oversee the audit and examination of the financial condition of AmSouth and to consider and review AmSouth's policies addressing various internal control matters. In performing these functions, the committee met six times during 2003.

Human Resources Committee

This committee is composed of Directors Claude B. Nielsen (Chairman), Martha R. Ingram, Victoria B. Jackson and James R. Malone and met four times during 2003. The committee is charged with the oversight of AmSouth's compensation plans and determining the compensation of senior management.

Corporate Governance Committee

The Corporate Governance Committee is charged with setting the corporate governance policies of AmSouth. The members of this committee are Directors Earnest W. Deavenport, Jr. (Chairman), Victoria B. Jackson, Ronald L. Kuehn, Jr., Charles D. McCrary and Cleophus Thomas, Jr. The committee is also charged with reviewing potential nominees and recommending new directors, and reviewing the structure of the Board and its operation and recommending changes where appropriate. Procedures whereby individual shareholders can submit recommendations of persons to be considered for nomination as a director of AmSouth and AmSouth's process for nominating directors are described below in the Miscellaneous Information Director Nomination Process section of this Proxy Statement. The committee met three times during 2003.

Executive Committee

This committee has the power to exercise all of the authority of the Board of Directors, to the extent allowed by law, and is specifically given the authority, among other things, to declare dividends. The current members of the committee are Directors C. Dowd Ritter (Chairman), Earnest W. Deavenport, Jr., Charles D. McCrary, James R. Malone and Claude B. Nielsen. The committee did not meet during 2003.

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Audit Committee Report

The Board of Directors, in its business judgment, has determined that all members of the Audit Committee are independent, as required by applicable SEC rules and the listing standards of the NYSE. The Audit Committee operates pursuant to a charter that was last amended and restated by the Board on January 15, 2004, a copy of which is attached as Appendix A. The Audit Committee has also adopted procedures for handling complaints regarding accounting or auditing matters, including procedures for the confidential, anonymous submission by employees of related concerns.

In the performance of its oversight function, the Audit Committee has reviewed and discussed the audited financial statements, including a discussion of the quality, not just the acceptability of the accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements, with management and Ernst & Young LLP, AmSouth's independent auditors. The Audit Committee has also discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended by Statement on Auditing Standards No. 90, *Audit Committee Communications*, as currently in effect. Finally, the Audit Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, as currently in effect, has considered whether the provision of non-audit services by the independent auditors to the Company is compatible with maintaining the auditors' independence and has discussed with the auditors the auditors' independence. See the discussion under *Independent Public Accountants* on page 41.

Based upon the review, discussions and reports described in this report, the Audit Committee recommended to the Board that the audited financial statements be included in AmSouth's Annual Report on Form 10-K for the year ended December 31, 2003 to be filed with the SEC.

Submitted by the Audit Committee:

Charles B. McCrary, Chairman

Earnest W. Deavenport, Jr.

Rodney C. Gilbert

Ronald L. Kuehn, Jr.

Claude B. Nielsen

Cleophus Thomas, Jr.

Audit Committee Financial Experts

The Board of Directors believes that the following members of the Audit Committee qualify as Audit Committee Financial Experts under applicable SEC regulations: Messrs. Deavenport, Kuehn, McCrary and Nielsen. As noted above, the Board of Directors has determined that all of these individuals are independent under applicable SEC and NYSE rules.

Code of Ethics for Senior Financial Officers

AmSouth has adopted a Code of Ethics for Senior Financial Officers. It may be found on AmSouth's website (www.amsouth.com) in the Corporate Governance section of the Investor Relations Resource Center.

Director Attendance

During 2003, all incumbent directors of AmSouth attended at least 75 percent of the total number of meetings of the Board of Directors and meetings of the committees of which they were members.

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Section 16(a) Beneficial Ownership Reporting Compliance

AmSouth is not aware of any instance during 2003 in which directors or executive officers of AmSouth failed to make timely filings required by Section 16(a) of the Securities Exchange Act of 1934. AmSouth has relied on written representations of its directors and executive officers and copies of the reports that have been filed in making required disclosures concerning beneficial ownership reporting.

Director Independence

It is the judgment of the Board of Directors that all members of the Board of Directors (other than the CEO, Mr. Ritter) are independent under the rules of the NYSE and the categorical standards adopted by the Board. These standards are Appendix B to this Proxy Statement.

Certain Relationships, Related Transactions and Legal Proceedings

Certain directors and executive officers of AmSouth and AmSouth Bank, and certain associates and members of the immediate families of these individuals, were customers of, and had loan transactions with, AmSouth Bank in the ordinary course of business during 2003. In addition, certain of the foregoing are or have been executive officers or 10 percent or more shareholders in corporations, or members of partnerships, which are customers of AmSouth Bank and which have had loan transactions with AmSouth Bank in the ordinary course of business. In the opinion of the management of AmSouth, all such transactions were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and corporations and did not involve more than the normal risk of collectibility or present other unfavorable features. Transactions of a similar nature will, in all probability, occur in the future in the ordinary course of business.

During part of 2003, director Cleophus Thomas, Jr. was of counsel to the law firm of Adams and Reese LLP, which performed services for AmSouth. The amount paid to that firm for services to AmSouth in 2003 was less than \$20,000. Mr. Thomas resigned from the firm effective November 2003.

Director James R. Malone is and has been a principal of financial and business restructuring and consulting firms. Through his association with these firms, Mr. Malone has occasionally served as an executive officer of companies that retain the firm to assist in their financial restructuring, and as part of the restructuring strategy some of these companies file for bankruptcy. AmSouth does not believe that Mr. Malone's service as an executive officer with such companies, which arises solely because of his affiliation with the consulting firms, is material to an evaluation of the ability or integrity of Mr. Malone to serve as a Director of AmSouth. Mr. Malone also served as Chairman of the Board and Chief Executive Officer of Bliss Manufacturing Company (renamed Bliss Technologies Inc. after its sale in 1998), a former subsidiary of HMI Industries, Inc., from 1997 until March 1998. He served as Chairman of the Board of Bliss Technologies Inc. from March 1998 until February 1999. In January 2000, Bliss Technologies, Inc. filed a petition in the United States Bankruptcy Court in Detroit, Michigan under Chapter 11 of the Bankruptcy Act.

Table of Contents**EXECUTIVE COMPENSATION****Summary of Cash and Certain Other Compensation**

The following table provides summary information concerning compensation paid by AmSouth and its subsidiaries to its Chief Executive Officer and each of the five other most highly compensated executive officers of AmSouth at December 31, 2003 (hereinafter referred to as the named executive officers), for the fiscal years ended December 31, 2003, 2002 and 2001. Information is being presented on a total of six officers because two officers had the same total salary and bonus for 2003.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			
		Salary(\$)	Bonus(\$)	Other Annual Compensation (\$)(2)	Awards	Payouts	All Other Compensation(\$)	
					Restricted Stock Award(s) (\$)(3)	Securities underlying Options (#)		LTIP Payouts(\$)
C. Dowd Ritter Chairman, President & Chief Executive Officer, AmSouth & AmSouth Bank	2003	\$ 995,000	\$ 1,865,000	\$ 210,713	\$ 0	602,000	\$ 0	\$ 209,851(4)
	2002	\$ 983,000	\$ 2,713,100	\$ 221,469	\$ 0	645,000	\$ 0	\$ 216,295
	2001	\$ 945,000	\$ 1,814,400	\$ 163,191	\$ 5,446,400	625,000	\$ 0	\$ 210,169
Sloan D. Gibson (1) Vice Chairman, Chief Financial Officer & Finance and Credit Group Head	2003	\$ 470,000	\$ 432,400	\$ 47,223	\$ 0	175,000	\$ 0	\$ 28,200(4)
	2002	\$ 455,000	\$ 632,450	\$ 51,705	\$ 0	187,500	\$ 0	\$ 27,300
	2001	\$ 440,000	\$ 497,200	\$ 178,154	\$ 1,872,200	190,000	\$ 0	\$ 174,050
E. W. Stephenson, Jr. (1) Senior Executive Vice President & Florida and Mississippi Banking Group Head	2003	\$ 425,000	\$ 463,250	\$ 55,168	\$ 0	121,800	\$ 0	\$ 30,310(4)
	2002	\$ 412,000	\$ 564,400	\$ 68,580	\$ 0	130,500	\$ 0	\$ 29,530
	2001	\$ 400,000	\$ 376,000	\$ 63,485	\$ 1,276,500	135,000	\$ 0	\$ 28,810
Candice W. Bagby Senior Executive Vice President and Consumer Banking Group Head	2003	\$ 375,000	\$ 435,000	\$ 41,396	\$ 0	121,800	\$ 0	\$ 22,500(4)
	2002	\$ 340,000	\$ 274,050	\$ 43,203	\$ 0	108,000	\$ 0	\$ 20,400
	2001	\$ 315,000	\$ 165,300	\$ 37,496	\$ 851,000	85,000	\$ 0	\$ 18,900
W. Charles Mayer, III Senior Executive Vice President & Alabama and South Louisiana Banking Group Head	2003	\$ 385,000	\$ 404,250	\$ 53,211	\$ 0	121,800	\$ 0	\$ 28,300(4)
	2002	\$ 370,000	\$ 481,000	\$ 52,967	\$ 0	130,500	\$ 0	\$ 27,400
	2001	\$ 355,000	\$ 323,050	\$ 47,849	\$ 1,276,500	135,000	\$ 0	\$ 26,500
Beth E. Mooney(1) Senior Executive Vice President & Tennessee and	2003	\$ 385,000	\$ 404,250	\$ 34,372	\$ 0	121,800	\$ 0	\$ 23,100(4)
	2002	\$ 365,000	\$ 459,900	\$ 35,196	\$ 0	130,500	\$ 0	\$ 21,901
	2001	\$ 345,000	\$ 369,150	\$ 31,604	\$ 1,276,500	135,000	\$ 0	\$ 20,700

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North Louisiana Banking
Group Head

- (1) Titles shown are as of December 31, 2003. On February 4, 2004, Mr. Gibson announced that he intended to resign his position, after a transition period, in order to pursue his interest in volunteer service. Ms. Mooney is now Chief Financial Officer and Finance and Credit Group Head and Mr. Stephenson has become the Tennessee and North Louisiana Banking Group Head as well as retaining responsibility for AmSouth's Mississippi operations.
- (2) These amounts include various perquisites. Those perquisites that for any individual exceed 25% of that individual's total perquisites are: In the case of Mr. Ritter, a supplemental disability insurance premium payment of \$52,704. In the case of Mr. Gibson, Ms. Bagby, Mr. Mayer and Ms. Mooney, auto allowances of \$12,000 each. In the case of Mr. Gibson, Mr. Stephenson and Mr. Mayer, club dues payments of \$10,680, \$24,004 and \$17,004 respectively.
- (3) The named executive officers were granted shares of restricted stock in 2001 that do not vest until retirement. Full legal ownership of these shares does not vest until retirement, and they will be forfeited if an executive's employment is terminated prior to retirement by him or her voluntarily or involuntarily by AmSouth, except in the case of a change in control, death or disability. The amounts shown in the table above reflect the market value at date of grant, as required by SEC rules. Dividends are paid on all restricted shares.

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The following table provides information about restricted shares unreleased as of December 31, 2003.

Name	Aggregate # of Restricted Shares Held	Value Based on Year End Stock Price of \$24.50
Ritter	353,334	\$ 8,656,683
Gibson	110,000	\$ 2,695,000
Stephenson	75,000	\$ 1,837,500
Bagby	50,000	\$ 1,225,000
Mayer	75,000	\$ 1,837,500
Mooney	75,000	\$ 1,837,500

None of the restricted stock awards listed in the Summary Compensation Table or in the Footnote Table above had an original vesting schedule of less than three years, although vesting is accelerated upon the conditions previously noted.

- (4) These amounts reflect Company Matching contributions to the AmSouth Thrift Plan and Supplemental Thrift Plan and payouts related to the former Profit Sharing Plan as shown below.

Name	Company Match Thrift	Prior Profit Sharing Plan
Ritter	\$ 59,700	\$ 7,670
Gibson	\$ 28,200	\$ 0
Stephenson	\$ 25,500	\$ 4,810
Bagby	\$ 22,500	\$ 0
Mayer	\$ 23,100	\$ 5,200
Mooney	\$ 23,100	\$ 0

In the case of Mr. Ritter, the amount shown in the Summary Compensation Table also includes the Company's share of the annual premium paid in the amount of \$142,481 for the split dollar life insurance under which he is covered.

Stock Options

The following table contains information regarding the grant of stock options to the named executive officers during 2003. The table sets forth the number of stock options granted at fair market value during 2003. As required by applicable SEC regulations, the table further sets forth the potential realizable value of such stock options in the year 2013 (the expiration date of the stock options) at arbitrarily assumed annualized rates of stock price appreciation of 5% and 10% over the full ten-year term of the stock options. As the table indicates, the annualized stock price appreciation of 5% and 10% would result in stock prices in the year 2013 of approximately \$33.38 and \$53.15, respectively. The amounts shown in the table as potential realizable values for all shareholders' stock (approximately \$3.1 billion and \$10.1 billion), represent the corresponding increases in the market value of shares of the common stock outstanding as of December 31, 2003. No gain to the named executives is possible without an increase in stock price, which would benefit all shareholders proportionately. Actual gains, if any, on stock option exercises and common stock holdings are dependent on the future performance of the common stock and overall stock market conditions. There can be no assurances that the potential realizable values shown in this table will be achieved.

The amount of value delivered to Plan participants in the form of stock options has been decreased beginning with the 2002 grants, and new Performance Units have been granted. These Units are performance-based and carry greater risk than stock options. Therefore, a significant portion of the long-term compensation of senior management is now in the form of performance-related grants that have greater risk for executives than traditional grants because they depend on meeting specific performance goals and not just on a general improvement in the stock market. Dilution is managed by AmSouth's practice of issuing repurchased shares to meet its stock-based benefit plan requirements, rather than using newly issued shares.

Table of Contents**OPTION GRANTS IN LAST FISCAL YEAR***

Name	Individual Grants				Potential Realizable Value At Assumed Annual Rates of Stock Price Appreciation for Option Term	
	Number of Securities Underlying Options Granted(#)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/sh)	Expiration Date	If stock price at \$33.38 in 2013 5% (\$)	If stock price at \$53.15 in 2013 10% (\$)
	All Shareholders Stock Appreciation	NA	NA	NA	NA	\$ 3,124,793,883
C. Dowd Ritter	602,000	6.5%	\$ 20.49	February 10, 2013	\$ 7,759,780	\$ 19,661,320
Sloan D. Gibson	175,000	1.9%	\$ 20.49	February 10, 2013	\$ 2,255,750	\$ 5,715,500
E. W. Stephenson, Jr.	121,800	1.3%	\$ 20.49	February 10, 2013	\$ 1,570,002	\$ 3,977,988
Candice W. Bagby	121,800	1.3%	\$ 20.49	February 10, 2013	\$ 1,570,002	\$ 3,977,988
W. Charles Mayer, III	121,800	1.3%	\$ 20.49	February 10, 2013	\$ 1,570,002	\$ 3,977,988
Beth E. Mooney	121,800	1.3%	\$ 20.49	February 10, 2013	\$ 1,570,002	\$ 3,977,988

* These stock options were granted in February 2003, vest in equal installments over a three year period and remain exercisable until the tenth anniversary of the grant date. However, vesting accelerates upon death, disability, retirement or a change in control of AmSouth. The exercise price is equal to the closing price of AmSouth common stock on the NYSE on the date of grant.

Option Exercises and Holdings

The following table provides information concerning the exercise of stock options during 2003 by the named executive officers and the unexercised stock options held by them at December 31, 2003.

**AGGREGATED OPTION EXERCISES IN LAST
FISCAL YEAR AND FY-END OPTION VALUES**

Name	Shares Acquired on	Value Realized*	Number of Securities Underlying Unexercised Options at FY-End(#)	Value of Unexercised In-the-Money Options at FY-End(\$)
			Exercisable/	Exercisable/ Unexercisable*

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	<u>Exercise (#)</u>	<u>(\$)</u>	<u>Unexercisable</u>	
C. Dowd Ritter	698,433	\$ 2,863,998	1,516,788/1,165,335	\$ 10,344,593/\$4,237,224
Sloan D. Gibson	239,927	\$ 1,380,026	477,199/ 300,001	\$ 2,398,638/\$1,231,754
E. W. Stephenson, Jr.	130,610	\$ 681,928	308,683/ 208,801	\$ 1,448,913/\$ 857,302
Candice W. Bagby	78,338	\$ 323,557	246,315/ 193,801	\$ 1,361,874/\$ 793,702
W. Charles Mayer, III	138,659	\$ 781,155	328,759/ 208,801	\$ 1,700,466/\$ 857,302
Beth E. Mooney	78,550	\$ 191,851	199,949/ 208,801	\$ 1,332,320/\$ 857,302

* Market value of underlying securities at exercise or year-end, as applicable, minus the exercise price.

Table of Contents**LONG TERM INCENTIVE PLANS NON-STOCK AWARDS IN LAST FISCAL YEAR**

Name	Number of Shares, Units, or Other Rights (#)	Performance or Other Period Until Maturation or Payout	Estimated Future Payouts under Non-Stock Price-Based Plans		
			Threshold (\$)	Target (\$)	Maximum (\$)
C. Dowd Ritter		2003 2005	\$ 576,000	\$ 1,152,000	\$ 2,880,000
Sloan D. Gibson		2003 2005	\$ 161,500	\$ 323,000	\$ 807,500
E. W. Stephenson, Jr.		2003 2005	\$ 112,500	\$ 225,000	\$ 562,500
Candice W. Bagby		2003 2005	\$ 112,500	\$ 225,000	\$ 562,500
W. Charles Mayer, III		2003 2005	\$ 112,500	\$ 225,000	\$ 562,500
Beth E. Mooney		2003 2005	\$ 112,500	\$ 225,000	\$ 562,500

These grants of performance units were made pursuant to amendments to the 1996 Long Term Incentive Compensation Plan approved by the shareholders in 2002. The amount of the eventual payments will depend on the achievement of earnings per share and return on equity goals over a three year period including fiscal years 2003, 2004 and 2005. The amount of options granted to senior executive officers in 2003 was reduced to reflect the grant of these performance units.

EQUITY COMPENSATION PLAN INFORMATION

AS OF DECEMBER 31, 2003

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	20,577,952	\$ 20.58	16,628,760
Equity compensation plans not approved by security holders (1)(2)	9,136,189	\$ 17.16	1,132,491(3)
Total	29,714,141	\$ 19.65	17,761,251

(1) This includes 8,195,065 options to purchase shares of AmSouth common stock granted under an incentive compensation plan assumed from First American Corporation in a merger with AmSouth. Shareholders of First American Corporation approved such plan, but

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pre-merger AmSouth shareholders did not approve this plan.

- (2) This does not include outstanding options to purchase 625,150 shares of AmSouth common stock granted to employees of predecessor organizations and assumed through various mergers and acquisitions. At December 31, 2003, these assumed options had a weighted average exercise price of \$15.14 per share. The plans under which these options were granted are not available for future issuances of options to purchase shares of AmSouth common stock, and in the event that any such assumed option is not exercised, no further option to purchase shares of AmSouth common stock will be issued in place of such unexercised option.
- (3) This number of shares includes 470,118 shares reserved under the AmSouth Stock Option Plan for Outside Directors, 208,256 shares of common stock reserved under the AmSouth Employee Stock Purchase Plan and 454,087 shares reserved under the AmSouth Deferred Compensation Plans for future issuance.

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Material features of equity compensation plans adopted or assumed without the approval of AmSouth shareholders are described below:

First American Corporation 1993 Non-Employee Director Stock Option Plan; Heritage Federal Bancshares 1994 Stock Option Plan for Non-Employee Directors

AmSouth assumed the First American Corporation 1993 Non-Employee Director Stock Option Plan, and the Heritage Federal Bancshares 1994 Stock Option Plan for Non-Employee Directors (the FAC Director Plans), in connection with AmSouth's merger with First American Corporation in October 1999. Only directors of First American or Heritage Federal (a First American predecessor) who were not employees were eligible to receive awards under the FAC Director Plans. At the time the outstanding options under the FAC Director Plans were granted, the options were exercisable for common shares of First American Corporation or Heritage Federal Bancshares, as the case may be. All outstanding options were granted prior to AmSouth's merger with First American, and awards are no longer granted under the FAC Director Plans. Under the FAC Director Plans, the exercise price of options may not be less than the fair market value of the stock into which the option is exercisable at the time of grant. Previously granted but unexercised options are subject to adjustment for any future stock dividends, splits, business combinations, or other changes in capitalization as described in the FAC Director Plans.

First American Corporation Broad-Based Employee Stock Option Plan; Pioneer Bancshares, Inc. 1994 Long-Term Incentive Plan; Heritage Federal Bancshares, Inc. 1992 Stock Option Plan; Deposit Guaranty Corporation Long Term Incentive Plans

AmSouth assumed the plans described in the caption above (the Predecessor Employee Plans) in connection with AmSouth's merger with First American Corporation in October 1999. Generally, only employees of the pertinent predecessor corporations were eligible to receive awards under the Predecessor Employee Plans, although under some plans non-employee directors could be granted non-qualified stock options. At the time the outstanding options under the Predecessor Employee Plans were granted, the options were exercisable for common shares of the pertinent predecessor corporation. Following AmSouth's merger with First American, these options became exercisable for shares of AmSouth's common stock. The number of shares these options are exercisable for and the exercise prices were adjusted in accordance with the terms of the merger between AmSouth and First American. All of these outstanding options were granted prior to AmSouth's merger with First American, and awards are no longer granted under the Predecessor Employee Plans. Under the Predecessor Employee Plans, the exercise price of options generally may not be less than the fair market value of the underlying stock at the time of grant, although some plans permitted non-qualified options to be granted at exercise prices below market value. Options granted under the Predecessor Employee Plans were in some instances made subject to vesting over time. Previously granted but unexercised options are subject to adjustment for any future stock dividends, splits, combinations, or other changes in capitalization as described in the Predecessor Employee Plans. The Predecessor Employee Plans require that, in the event of a merger or other corporate reorganization affecting AmSouth, the holder of an option will be entitled to exercise such option, or, in some instances, to receive cash in the amount of the spread between the exercise price and fair market value.

AmSouth Bancorporation Amended and Restated Stock Option Plan for Outside Directors

AmSouth has adopted the Amended and Restated Stock Option Plan for Outside Directors, which provides for grants of non-qualified stock options. The number of shares to be issued upon exercise of outstanding options and remaining available for future issuance under the plan is subject to adjustment for stock dividends, splits, mergers, liquidations or recapitalizations, as described in the plan. All directors who are not employees of AmSouth are eligible to participate. The exercise price of stock options granted under the plan must equal the fair market value of AmSouth common stock on the date of grant, and shares issued upon exercise may only be issued for treasury shares. The expiration date of stock options under the plan may not be more than ten years after the date of grant. Grants of options are made in the discretion and on such terms as are determined by the Corporate Governance Committee. Forfeiture provisions and vesting schedules, as well as other terms of such

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options, are as may be set forth in the grant agreements respecting such options. Shareholders are being asked to approve this plan at the 2004 Annual Meeting.

AmSouth Bancorporation Employee Stock Purchase Plan

AmSouth has adopted the AmSouth Bancorporation Employee Stock Purchase Plan, which allows all employees who work more than 20 hours per week to purchase shares of common stock. AmSouth makes matching contributions of \$.25 on the dollar up to the first \$2,000, so that if an employee spends \$2,000 to purchase AmSouth common stock under the plan he or she will actually have \$2,500 available to purchase the stock. There are no other discounts on shares purchased through the plan. The maximum amount any employee may invest each calendar year is \$10,000, and a minimum of 10 shares may be purchased at a time. The purchase price is the closing price of AmSouth common stock on the NYSE on the date of purchase. Shareholders are being asked to approve this plan at the 2004 Annual Meeting.

AmSouth Bancorporation Deferred Compensation Plan

AmSouth has adopted the AmSouth Bancorporation Deferred Compensation Plan, which was amended and restated as of January 1, 2000. Members of management and highly compensated employees are eligible to participate. Under the Deferred Compensation Plan, a participant may elect to defer a portion (from 25% to 100%) of his or her annual bonus into Deferred Stock. The deferral election must specify a payment date, which may not be sooner than the third anniversary of the first day of the plan year to which the deferral relates. The cash amount of the bonus being deferred is exchanged for an equivalent number of "deemed" shares of AmSouth common stock based on the fair market value of such stock. That number of shares of AmSouth common stock will be distributed to the participant on the selected payment date. The participant may elect to have such shares distributed in a lump sum or in installments, but must make such election in advance of the deferral. All amounts so deferred are fully vested and are not subject to forfeiture. In the event of stock splits, recapitalizations, reorganizations, or other similar transactions affecting AmSouth's common stock, the Human Resources Committee can make such adjustments as it determines to be equitable.

Amended and Restated Deferred Compensation Plan for Directors of AmSouth Bancorporation

AmSouth has adopted the Amended and Restated Deferred Compensation Plan for Directors of AmSouth Bancorporation. Directors of AmSouth are eligible to participate. Under this plan, a participant may elect to defer a portion of his or her retainer and meeting fees into Deferred Stock. Upon each such deferral, the cash amount of the payment being deferred is converted into an equivalent number of "deemed" shares of AmSouth common stock based on the fair market value of such stock. The director must elect whether to receive payment upon retirement or upon reaching a certain age, and whether to be paid in a lump sum or in specified annual installments. All amounts so deferred are fully vested and are not subject to forfeiture. In the event of stock splits, recapitalizations, reorganizations, or other similar transactions affecting AmSouth's common stock, the Human Resources Committee can make such adjustments as it determines to be equitable.

AmSouth Bancorporation Amended and Restated 1991 Employee Stock Incentive Plan (formerly First American Corporation Amended and Restated 1991 Employee Stock Incentive Plan)

AmSouth assumed the plan described in the caption above (the "1991 Plan") in connection with AmSouth's merger with First American Corporation in October 1999. The 1991 Plan permitted grants to officers and other key employees. Any outstanding options that were granted under the 1991 Plan before the merger of AmSouth and First American became exercisable into shares of AmSouth's common stock under the

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terms of that merger. AmSouth made a grant of stock options under the 1991 Plan in 2000 and 2001, which are reflected in the table above in column (a). No additional grants may be made under the 1991 Plan, which terminated in 2001. Shareholders of First American approved the 1991 Plan, but pre-merger AmSouth shareholders did not approve this plan.

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Retirement Plan

AmSouth has both a non-contributory qualified defined benefit Retirement Plan, as well as a non-qualified Supplemental Executive Retirement Plan (SERP). All benefits earned under the qualified defined benefit plan are based on years of credited service up to 30 and the annual average of the highest five consecutive years of base salary earned out of the last ten years worked. The SERP provides benefits that would otherwise be denied participants under the qualified Retirement Plan because of Internal Revenue Code limitations on qualified plan benefits, as well as additional benefits that serve to attract and retain high quality senior executive talent for the organization.

There are two types of retirement benefits in the SERP: a regular benefit and a targeted benefit. The annual average covered compensation for both benefits is based on the highest three consecutive years of base salary plus bonus out of the last ten years worked. The amount of the regular SERP retirement benefit is determined by the length of the retiree's credited service up to 35 years and the annual average covered compensation utilizing the qualified Retirement Plan formula. Participants vest in this benefit after five years of service or attainment of age 55. The regular SERP benefit is available to all eligible SERP participants.

The targeted SERP retirement benefit is available only to a select group of senior officers, including the named executive officers. This targeted SERP benefit provides a percentage of annual average covered compensation based on years of credited service ranging from 40% at 10 years up to a maximum of 65% at 35 years. These targeted SERP benefits are offset by the qualified plan benefit, the Social Security benefit, and any retirement benefit earned from a prior employer. Participants vest in this benefit only after 10 years of service and the attainment of age 60. If a participant retires prior to meeting these vesting requirements, he or she will receive a regular SERP benefit.

The full years of credited service for the named executive officers are as follows: Ms. Bagby 10 years; Ms. Mooney 4 years; Mr. Gibson 11 years; Mr. Mayer 25 years; Mr. Stephenson 28 years and Mr. Ritter 31 years. The table below shows the estimated annual retirement benefits payable at normal retirement age (65) under the qualified plan and the SERP. These benefits are computed as straight life annuities beginning at age 65, and also include an estimated Social Security benefit at age 65. If an executive attains age 62, he or she is eligible to retire with an unreduced accrued benefit. The most senior executives, including the named executives, are eligible to retire with an unreduced accrued benefit at age 60 if the vesting conditions described above for the targeted SERP benefit are met.

Upon retirement from the company, executives who are vested in both the regular and targeted benefit will receive the higher of the two benefits. The higher potential benefits are shown assuming that both vesting requirements have been met. If the conditions of vesting for the targeted benefit are not met, then the benefit amounts could be less.

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PENSION PLAN TABLE

Average Annual Covered Compensation	Years of Service					
	10	15	20	25	30	35
\$ 600,000	\$ 240,000	\$ 270,000	\$ 300,000	\$ 330,000	\$	