

SOUTHERN CO  
Form DEF 14A  
April 08, 2016

**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

**The Southern Company**

(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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Notice of  
**2016** Annual Meeting  
of Stockholders  
and Proxy Statement

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## INVESTOR FACT SHEET

### **An Industry Powerhouse**

With more than 4.5 million customers, approximately 44,000 megawatts of generating capacity in service at the end of 2015, and a growing national competitive generation business, the Southern Company system is a major source of energy in the southeastern U.S.

We strive to remain among the leaders in our industry, a reliable energy provider for customers, and a solid investment for our stockholders.

### **Our Major Businesses**

#### **•Traditional Operating Companies**

Our traditional operating companies include Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company.

Our strong base includes transmission, distribution, and approximately 37,800 megawatts of regulated generation. Plans exist for added capacity through 2020 to meet demand and maintain reliability.

#### **2015 Energy Mix for Traditional Operating Companies**

#### **• Southern Power Company**

Our competitive generation business owns or has the rights to 35 facilities operating or under construction in nine states, with more than 10,500 megawatts of generating capacity.

The fleet consists of approximately 8,600 megawatts of natural gas generating capacity and more than 1,900 megawatts of renewable generating capacity.

#### **Financial Integrity**

- Goal of achieving an attractive risk-adjusted return, supported by a simple, transparent business model and sound financial policy.
- Experienced management focused on creating and delivering value.
- Long-term contracts with reputable, credit-worthy counterparties and minimal commodity exposure are the foundation of Southern Power Company's business model.

## **Dividends to Stockholders**

**Paid to  
Stockholders**  
**\$5.6bnsince 2013**

## **What Distinguishes Southern Company?**

### **•Energy Mix**

Only electric utility in the U.S. committed to developing the full portfolio of generation resources – natural gas, 2<sup>nd</sup> century coal, nuclear, and renewables such as wind and solar – together with an emphasis on energy efficiency.

### **•American Customer Satisfaction Index**

Consistently listed among the top U.S. electric service providers in customer satisfaction.

### **•Growth in Renewables**

Approximately 3,800 megawatts of announced or added renewable capacity since 2012. This includes the development of what is expected to be the largest voluntary solar portfolio in the U.S. (at Georgia Power Company).

### **•Our People**

Ranked among best employers for minorities and veterans.

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## Letter to Stockholders

Dear Fellow Stockholder:

You are invited to attend the 2016 Annual Meeting of Stockholders at 10:00 a.m., ET on Wednesday, May 25, 2016, at The Lodge Conference Center at Callaway Gardens, Pine Mountain, Georgia.

2015 was a tremendous year for The Southern Company. We saw strong financial performance both from our wholesale subsidiary, Southern Power, and our traditional operating companies. We also improved our overall risk profile by addressing several issues related to our operating subsidiaries' large construction projects, including the settlement of litigation concerning Plant Vogtle and the approval of rate recovery for the in-service assets at the Kemper County energy facility.

Over the past year, we conducted a review of our corporate governance practices, including outreach to a number of our largest stockholders. This review resulted in the Board of Directors recommending that several corporate governance proposals be included on the agenda for this year's annual meeting. In addition to the election of directors and certain other matters, you will be asked to

- approve a By-Law amendment to permit proxy access,
- approve an amendment to the Company's Certificate of Incorporation to reduce the supermajority vote requirements to a majority vote,
- approve an amendment to the Company's Certificate of Incorporation to eliminate the "fair price" anti-takeover provision, and
- approve a By-Law amendment to permit the Board of Directors to make certain future amendments to the By-Laws without stockholder ratification.

Thomas A. Fanning  
Chairman, President, and  
Chief Executive Officer

**“Every decision we make is arrived at by asking one question: How does it benefit the families, businesses, and communities we serve?”**

We believe these proposals are thoughtfully structured to serve the best interests of our stockholders and are responsive to current corporate governance trends.

For the first time, we are taking advantage of the notice and access rules of the Securities and Exchange Commission (SEC) that allow us to furnish our proxy materials to you over the internet instead of mailing paper copies to each stockholder. We are mailing a Notice of Internet Availability of Proxy Materials beginning on or about April 8, 2016 to certain of our stockholders. The Notice contains instructions on how to access the proxy materials and vote your proxy. We believe this approach allows us to provide stockholders with a timely and convenient way to receive proxy materials and vote, while lowering the costs of delivery and reducing the environmental impact of the annual meeting.

**Your vote is important. We urge you to vote promptly, even if you plan to attend the annual meeting.**

Thank you for your continued support of Southern Company.

Thomas A. Fanning

**Important Notice Regarding the Availability of Proxy Materials for the 2016 Annual Meeting of Stockholders to be held on May 25, 2016:**

The proxy statement and the annual report are available at [www.investor.southerncompany.com](http://www.investor.southerncompany.com).

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## Notice of Annual Meeting of Stockholders of Southern Company

### Date and Time

Wednesday, May 25, 2016 at 10:00 a.m., ET

### Place

The Lodge Conference Center at Callaway Gardens, Highway 18, Pine Mountain, Georgia 31822

### Items of Business

- Elect 15 Directors;
- Approve a By-Law amendment to permit proxy access;
- Approve an amendment to the Certificate of Incorporation to reduce the supermajority vote requirements to a majority vote;
- Approve an amendment to the Certificate of Incorporation to eliminate the “fair price” anti-takeover provision;
- Approve a By-Law amendment to permit the Board of Directors to make certain future amendments to the By-Laws without stockholder ratification;
- Conduct an advisory vote to approve executive compensation, often referred to as a say on pay;
- Approve the material terms for qualified performance-based compensation under the Omnibus Plan in accordance with Section 162(m) of the tax code;
- Ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2016;
- Consider two stockholder proposals, if properly presented at the meeting; and
- Transact any other business properly coming before the meeting or any adjournments thereof.

### Record Date

Stockholders of record at the close of business on March 28, 2016 are entitled to attend and vote at the meeting. On that date, there were 918,874,386 shares of common stock (Common Stock) of The Southern Company (Southern Company, the Company, we, us, or our) outstanding and entitled to vote.

By Order of the Board of Directors,  
Melissa K. Caen, Corporate Secretary

April 8, 2016

**EVERY VOTE IS IMPORTANT TO SOUTHERN COMPANY**

We have created an annual meeting website to make it easy to access our 2016 annual meeting materials.

*[www.southerncompanyannualmeeting.com](http://www.southerncompanyannualmeeting.com)*

At the annual meeting website you can find an overview of the items to be voted, our proxy statement and annual report to read online or to download, and a link to vote your shares.

Even if you plan to attend the meeting in person, please vote as soon as possible by using the internet or by telephone or, if you received a paper copy of the proxy form by mail, by signing and returning the proxy form.

**Vote by Internet or Telephone**

Voting by the internet or by telephone is fast and convenient, and your vote is immediately confirmed and tabulated.

[www.proxyvote.com](http://www.proxyvote.com)  
24/7

1-800-690-6903  
24/7

**Vote by Mail**

If you received a paper copy of the proxy form by mail, you can mark, sign, date, and return the proxy form in the enclosed, postage-paid envelope.



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## Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

## Meeting Agenda

Stockholders are being asked to vote on ten agenda items at the 2016 annual meeting.

### Item 1

#### ELECT 15 DIRECTORS

- Each nominee holds or has held senior executive positions, maintains the
- highest degree of integrity and ethical standards, and complements the needs of the Company.
  - Through their positions, responsibilities, skills, and perspectives, which span various industries and organizations, these nominees

represent a Board of Directors (Board) that is diverse and possesses appropriate collective knowledge and experience in accounting, finance, leadership, business operations, risk management, corporate governance, and our industry and subsidiaries' service territories.

**The Board recommends a vote FOR each Director nominee.**

**See page 12 for further information.**

#### **Director Nominees**

Juanita Powell Baranco Executive Vice President and Chief Operating Officer of Baranco Automotive Group	Jon A. Boscia Founder and President, Boardroom Advisors LLC	Henry A. "Hal" Clark III Senior Advisor of Evercore Partners Inc.
Age: 67 Director since: 2006	Age: 63 Director since: 2007	Age: 66 Director since: 2009

Independent Director: Yes	Independent Director: Yes	Independent Director: Yes Current Committees:
Current Committees: Audit	Current Committees: Audit (Chair)	Compensation and Management Succession (Chair), Finance

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<p>Thomas A. Fanning Chairman of the Board, President, and Chief Executive Officer (CEO), Southern Company</p>	<p>David J. Grain Founder and Managing Partner of Grain Management LLC</p>	<p>Veronica M. Hagen CEO, Polymer Group, Inc. (retired)</p>
<p>Age: 59 Director since: 2010 Independent Director: No</p>	<p>Age: 53 Director since: 2012 Independent Director: Yes</p>	<p>Age: 70 Director since: 2008 Independent Director: Yes, Lead Independent Director through May 2016</p>
<p>Current Committees: None</p>	<p>Current Committees: Compensation and Management Succession, Finance</p>	<p>Current Committees: Compensation and Management Succession, Nuclear/Operations</p>
<p>Warren A. Hood, Jr. Chairman and CEO, Hood Companies Inc.</p>	<p>Linda P. Hudson Founder, Chairman, and CEO, The Cardea Group</p>	<p>Donald M. James Chairman and CEO, Vulcan Materials Company (retired)</p>
<p>Age: 64 Director since: 2007 Independent Director: Yes</p>	<p>Age: 65 Director since: 2014 Independent Director: Yes</p>	<p>Age: 67 Director since: 1999 Independent Director: Yes</p>
<p>Current Committees: Audit</p>	<p>Current Committees: Governance, Nuclear/Operations, Business Security Subcommittee</p>	<p>Current Committees: Finance, Governance (Chair)</p>
<p>John D. Johns Chairman and CEO, Protective Life Corporation</p>	<p>Dale E. Klein Associate Vice Chancellor of Research, University of Texas System</p>	<p>William G. Smith, Jr. Chairman, President, and CEO, Capital City Bank Group, Inc.</p>
<p>Age: 64 Director since: 2015 Independent Director: Yes</p>	<p>Age: 68 Director since: 2010 Independent Director: Yes</p>	<p>Age: 62 Director since: 2006 Independent Director: Yes</p>

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Current Committees: Audit	Current Committees: Governance, Nuclear/Operations, Business Security Subcommittee (Chair)	Current Committees: Finance (Chair), Compensation and Management Succession
Steven R. Specker President and CEO, Electric Power Research Institute (retired)	Larry D. Thompson John A. Sibley Professor of Corporate and Business Law, The University of Georgia School of Law	E. Jenner Wood III Corporate Executive Vice President – Wholesale Banking, SunTrust Banks, Inc.
Age: 70 Director since: 2010 Independent Director: Yes Current Committees: Nuclear/ Operations (Chair), Compensation and Management Succession	Age: 70 Director since: 2014 Independent Director: Yes, Lead Independent Director commencing May 2016 Current Committees: Finance, Governance	Age: 64 Director since: 2012  Independent Director: Yes  Current Committees: Governance, Nuclear/Operations

**Southern Company** 2016 Proxy Statement



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### **Key Corporate Governance Practices**

We seek to establish corporate governance standards and practices that create long-term value to our stockholders and positive influences on the governance of the Company. Our key corporate governance practices include:

- Annual election of Directors
- Majority voting for Directors, with a director resignation policy
- 10% threshold for stockholders to request a special meeting
- 14 of 15 Directors are independent
- All Board committees are comprised of independent Directors
- Strong Lead Independent Director
- Annual Board and committee self-evaluations
- Proactive stockholder engagement
- Diverse Board
- Clawback policy under our Omnibus Plan
- Strong stock ownership guidelines

### **Recent and Proposed Governance and Disclosure Enhancements**

Proposed a proxy access right for stockholders...[see page 34](#)

Proposed amendments to the Certificate of Incorporation to further enhance stockholder rights...[see pages 36 and 37](#)

Continued our stockholder engagement efforts ...[see page 26](#)

Adopted a no pledging policy ...[see page 44](#)

Identified a second audit committee financial expert ...[see page 28](#)

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