

SOUTHERN COMPANY

Compensation and Management Succession Committee Charter

Function

The Compensation and Management Succession Committee of the Board of Directors of Southern Company (the “Committee”) is charged with board responsibility for review and oversight of executive compensation and management succession. The Committee also shall have those duties delegated to it under the Pension Plan for Employees of the Company.

Duties and Responsibilities

The Committee shall:

- Review and approve Southern Company’s executive officers’ annual performance goals for the coming year with input from the Finance Committee of the Southern Company Board on the Company’s financial plan and goals.
- Evaluate the performance of the CEO at least annually and review it with the outside directors of the Board.
- Annually review a tally sheet of all components of the CEO’s total compensation.
- Recommend the compensation level of the CEO for approval by the outside directors of the board. In determining the long-term incentive compensation component, the Committee will consider the Company’s performance and relative shareholder return, the value of similar performance-based awards to CEOs at comparable companies, and the awards given to the CEO in past years.
- Review and approve the compensation level of the other executive officers of the Company, including the base salary and all awards under the Omnibus Incentive Compensation Plan.
- Review and approve compensation plans and programs, including perquisites and any broad-based programs that disproportionately benefit the Company’s executive officers and its employees.
- Make recommendations to the Board regarding change-in-control arrangements.
- Review and discuss with the Company’s management the Compensation Discussion and Analysis (“CD&A”) that is required under the Securities and Exchange Commission regulations. Based on such review and discussion, determine whether to recommend to the full Board the inclusion of the CD&A in the appropriate Company disclosure document(s).

- Provide the names of the Committee members the Compensation Committee report required by the Securities and Exchange Commission regulations, in the appropriate disclosure document(s).
- Annually review and approve retention of Committee’s executive compensation consultant(s).
- Review and approve retention of its executive compensation consultant or consulting firm for other services in order to assure continued independence of its consultant.
- Review CEO and other management succession plans at least annually with the CEO, and ensure that they are reviewed with outside directors at least annually, including succession of the CEO in the event of an emergency.
- Take actions required of it under the Pension Plan for Employees of the Company.
- Receive a report, at least annually, from the Retirement Board of the Pension Plan concerning any amendments made to the Plan and other significant actions of the Retirement Board for such year.
- Receive reports when appropriate of new, or material modifications to, existing broad-based programs that would materially increase or decrease the level of benefits to a participant.
- Review risks and associated risk management activities related to workforce issues.
- Committee shall review the Company’s compensation policies and practices, particularly performance-based compensation, as they relate to risk management practices and/or risk-taking incentives. The review should be conducted at least annually and whenever significant changes to any business unit’s compensation practices are under consideration.

Membership

The Committee and its Chairman shall be appointed annually by the Board upon recommendation of the Governance Committee. All members of the Committee, which shall consist of at least two members, shall be:

- “Independent” as established by the Governance Committee based on the listing standards of the New York Stock Exchange;
- A “non-employee director” as defined in Exchange Act Rule 16b-3; and
- An “outside director” as defined in Internal Revenue Code Section 162(m).

In appointing members to the Committee, the Governance Committee will consider broad management experience, general familiarity with executive compensation programs, knowledge of and/or experience with corporate performance measurement and incentive approaches and ability to assert opinions different from those of management.

Evaluation

The performance of the Committee shall be evaluated annually using criteria established by the Governance Committee.

Meetings

The Committee shall meet at such times as deemed appropriate by the Chairman of the Committee or by any two members of the Committee. A quorum for the transaction of any business by the Committee shall be a majority of the members of the Committee. The act of a majority of the directors serving at any meeting of the Committee at which a quorum is present shall be the act of the Committee. The Committee also may act by unanimous consent.

The Committee shall meet regularly in executive session.

The Committee shall make regular reports to the full board of directors of all significant matters approved or reviewed by the Committee.

The Committee shall determine from time to time best practices for the conduct of its meetings, such as development of agenda, review of materials in advance of meetings and establishment of a Committee calendar for recurring items.

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