



AUDIT & FINANCE COMMITTEE
CHARTER

Table of Contents

I. Committee Role	1
II. Committee Composition Requirements.....	1
III. Additional Director Competencies	2
IV. Accountabilities/Decision Roles	3
V. “Value-Added” Mission of the Committee.....	8
VI. Strategic Development of Committee Members.....	9
VII. Committee Relationships	10
VIII. Meeting Schedule	11
IX. Appendix A: Decision Accountability Matrix: Audit & Finance Committee	11

I. Committee Role

The Audit & Finance Committee is a Committee of both the Corporate Board (the “Board”) and its subsidiaries, including the Trust Department of its bank subsidiary. Its primary function is to assist the Boards in fulfilling their oversight responsibilities by monitoring the Corporation’s (including all of its subsidiaries) financial reporting process, and the system of internal controls that management and the Boards of Directors have established, the processes by which management complies with regulations that relate to financial reporting and the audit process. The Committee is neither intended nor equipped to guarantee with certainty to the full Boards and shareholders the accuracy and quality of the Corporation’s financial statements and accounting practices. Proper financial reporting, accounting, and audit functions are collaborative efforts conducted by full-time professionals dedicated to these purposes. The Committee oversees the work of others involved in the financial reporting process – management, including the Internal Auditor and the External Auditor, an Independent Registered Public Accounting Firm – and assesses practices and safeguards, and encourages procedures that promote accountability on the part of the full-time professionals.

II. Committee Composition Requirements

Audit & Finance Committee members shall meet the applicable requirements of The Nasdaq Stock Market, Inc. (“Nasdaq”), the Securities and Exchange Commission and banking regulations adopted by agencies exercising jurisdiction over the Corporation. The Audit & Finance Committee shall be comprised of three or more Directors as determined by the Corporate Board, each of whom shall be independent Directors, as defined by Nasdaq, free from any relationship that would interfere with the exercise of his or her independent judgment. No member of the Committee shall participate in the preparation of the financial statements of the Corporation or any of its subsidiaries. Audit & Finance Committee members must not accept any consulting, advisory or other compensatory fees from the Company other than for Board service, and they must not be an affiliated person of the Company.

All members of the Committee shall have a basic understanding of finance and accounting and be able to read, understand and interpret fundamental consolidated financial statements, including the Corporation’s consolidated balance sheet, income statement, statement of comprehensive income, statement of shareholders’ equity, statement of cash flows, related footnotes or required footnote disclosures, and management’s discussion and analysis. At least two members of the Committee shall have accounting or related financial management expertise and meet the requirements of an Audit Committee Financial Expert as defined, or the reasons why not will be disclosed. In addition, all members of the Committee are expected to be familiar with the regulatory guidelines to which the Corporation and its subsidiaries are subjected.

Audit & Finance Committee members shall be appointed by the Corporate Board, on recommendation of the Executive Committee of the Corporate Board. If an Audit & Finance Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership.

III. Additional Director Competencies

Trustmark has gone one step further to specifically define additional competencies that must be represented on the Audit & Finance Committee. As mentioned in Section II of this document, all Committee members must demonstrate a basic financial literacy. Additional competencies detailed in this section must be represented on the Committee as a whole, but each Audit & Finance Committee member need not necessarily possess all of them. The competencies include:

- 1. Financial statement analysis** – Two or more members of the Audit & Finance Committee should demonstrate expertise in analyzing financial statements and using financial/accounting data to evaluate business decisions regarding company operations and investments. They should understand the use of financial ratios and other measures for evaluating corporate performance.
- 2. Knowledge of capital markets** – Two or more members of the Audit & Finance Committee should understand the public debt and equity markets, and be apprised of current market conditions and trends.
- 3. Financial planning** – Two or more members of the Audit & Finance Committee should have experience with financial budgeting and planning processes and understand how they are conducted in a large corporation. Any Director(s) with this particular competency should also have experience developing financial projections using a combination of historical data and expected market/business trends.
- 4. Ability to communicate financial concepts in lay terms** – The Audit & Finance Committee is responsible for communicating its decisions and actions to the Corporate Board. Since deep financial expertise is not a prerequisite for general Board membership, two or more members of the Audit & Finance Committee should be capable of breaking complex financial issues down into language/formats that can be understood by all Directors.

- 5. Industry knowledge** – Two or more members of the Audit & Finance Committee should be familiar with historical and emerging trends in the financial services and banking industries. They should have a strong understanding of key financial drivers, the competitive landscape, and potentially disruptive industry trends. This understanding will enable the Committee to identify and respond to industry-specific requirements (e.g., OCC regulations) related to the audit function of the Corporation.

These competencies will be used as a tool by the Executive Committee of the Corporate Board to (i) assess individual Directors' suitability for service on the Audit & Finance Committee, (ii) identify competency gaps that should be addressed when electing new Directors, (iii) assess future Director nominees' suitability for service on the Audit & Finance Committee and (iv) set formalized standards for continued Board/Committee membership.

IV. Accountabilities/Decision Roles

The Audit & Finance Committee is responsible for reviewing, and in some cases, approving, certain policies and practices that are developed and implemented by management. They must monitor the processes by which management identifies risks, and related controls that ensure compliance with financial reporting rules and regulations. While they may offer opinions and facts related to these items, the Committee is not responsible for actually developing or implementing such policies and practices.

In fulfilling its role, the Audit & Finance Committee shall:

Oversight of the Corporation's Audit Activities

1. Be directly responsible for the appointment, compensation, retention and oversight of the work of the External Auditor. Consider with management and the External Auditor the rationale for: (i) employing audit firms other than the principal External Auditor to conduct audit-related activities, and (ii) hiring of any auditing firm to engage in non-audit activities (e.g., consulting).
2. Instruct the External Auditor that they are ultimately accountable to the Corporate Board and the Audit & Finance Committee and that they must directly report to the Audit & Finance Committee.
3. Assure the objectivity and the independence of the internal audit department and the External Auditor, including a review of management consulting services and related fees provided by the External Auditor. Inquire of any other relationships that the External Auditor might have that would impair their objectivity and

- independence. Actively engage in a dialogue with the External Auditor with respect to any disclosed relationships or services. Obtain from the External Auditor written disclosures required by the Independence Standards Board. Establish and monitor adherence to a pre-approval policy for use of the external auditors.
4. Review and concur in the appointment, replacement, reassignment, performance, or dismissal of the Director of Internal Audit.
 5. Serve as the body to which the Director of Internal Audit directly reports. Grant final approval regarding the compensation and performance evaluation of the Director of Internal Audit, which shall be determined and recommended by the Chief Executive Officer.
 6. Consider, in consultation with the External Auditor, the Chief Risk Officer, the Chief Financial Officer and the Director of Internal Audit, the audit scope and plan of the internal auditor department and the External Auditor. Review and approve the External Auditor's engagement letter.
 7. Review with the Director of Internal Audit and the External Auditor the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
 8. Consider and review with management and the Director of Internal Audit:
 - a. Significant findings during the year and management's responses thereto (including the status of the previous audit recommendations).
 - b. Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.
 - c. Any changes required in the planned scope of their audit plan.
 - d. The internal auditing department budget and staffing.
 - e. The internal auditing department charter.
 - f. Internal auditing's compliance with standards of internal auditing.
 9. Inquire of management, the Director of Internal Audit, and the External Auditor about significant risks or exposures and assess the steps that management has taken to minimize such risks to the Corporation.

10. Consider and review with the Director of Internal Audit and the External Auditor the adequacy of the Corporation's internal controls, including computerized information system controls that relate to financial reporting.
11. Hold private meetings/executive sessions with the Director of Internal Audit and the External Auditor during scheduled Audit & Finance Committee meetings.

Oversight of the Financial Reporting and Internal Controls (SOX)

1. Review with management and the External Auditor at the completion of the annual examination (and before public release):
 - a. The Corporation's annual consolidated financial statements and related footnotes, including management's discussion and analysis. Discuss critical accounting policies, including an assessment of management's disclosures.
 - b. The External Auditor's audit of the consolidated financial statements and his or her report thereon.
 - c. Any significant findings during the year and management's responses thereto, including the status of previous audit suggestions.
 - d. Any significant changes required in the External Auditor's audit plan.
 - e. Any serious difficulties or disputes with management encountered during the course of the external audit.
 - a. All alternatives within GAAP for material items that were discussed with management.
 - b. Management's report on internal controls.
 - c. The External Auditor's audit of internal controls over financial reporting and the report thereon.
 - d. Other matters related to the conduct of the external audit that are to be communicated to the Committee under generally accepted auditing standards.
2. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

3. Provide that financial management and the External Auditor discuss with the Audit & Finance Committee their judgments about the quality, not just the acceptability, of the Corporation's accounting principles as applied in its financial reporting. Inquire as to the consistency of the Corporation's accounting principles and their application, and the clarity and completeness of the Corporation's financial statements, which include related disclosures. Review, and concur with, on an as needed basis, changes in accounting principles used in response to changing standards. Inquire regarding items that have a significant impact on the representational faithfulness, verifiability, and neutrality of the accounting information included in the financial statements.
4. Based on presentations from Management, Internal Audit and External Audit, understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
5. Review interim financial information with management and the external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.
6. Discuss any items required to be communicated under generally accepted auditing standards by the External Auditor prior to filing interim and annual consolidated financial statements. Inquire of any disagreements with management and its resolution quarterly.
7. Review annually, with the External Auditor and general counsel, legal and regulatory matters that may have a material impact on the financial statements, related company audit and financial compliance policies, and programs and reports or inquiries received from regulators or other governmental agencies.
8. Submit reports (e.g., the report from the Audit & Finance Committee to be included in the Corporation's annual proxy statement) as required by the Securities and Exchange Commission and/or Nasdaq.
9. Review and approve procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

10. To obtain reasonable assurance with respect to the Corporation's procedures for the prevention and detection of fraud the Audit & Finance Committee will:
 - a. Oversee management's arrangements for the prevention and deterrence of fraud.
 - b. Ensure that appropriate action is taken against known perpetrators of fraud.
 - c. Challenge management and internal and external auditors to ensure that the Corporation has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.

Oversight of Regulatory Compliance

1. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
2. Review the findings of any examinations by regulatory agencies, and any auditor observations.
3. Review the process for communicating the Code of Conduct, including the Code of Conduct for Senior Financial Officers, to company personnel and for monitoring compliance therewith.
4. Obtain regular updates from management, internal audit and company legal counsel regarding compliance matters, including whether the Trust Department has been administered in accordance with law and Part 9 of the regulations of the Comptroller of the Currency and sound fiduciary principles.

Corporate Budget

1. Review the annual corporate budget prepared by management and monitor results (including Trustmark National Bank's budget) annually approved by Trustmark's Boards.

Unplanned Expenditures

1. Review and approve all proposed management expenditures, outside of the corporate budget, greater than \$1,000,000. If unplanned expenditures must be addressed between meetings of the Audit & Finance Committee, the Executive Committee of the Corporate Board shall meet to review and approve such expenditures.

Audit & Finance Committee Charter

1. Review and reassess the adequacy of the Committee's charter annually. The charter shall be approved by the Corporate Board and published in accordance with SEC regulations.
2. With the assistance of the Director of Internal Audit, confirm at least annually that all responsibilities outlined in the Committee's charter have been carried out.

Other

1. Annually review a summary of Directors' and officers' related transactions and potential conflicts of interest.
2. If necessary, retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of a special investigation.
3. Maintain minutes and report Committee actions to the Corporate Board with such recommendations as the Committee may deem appropriate.
4. Perform an annual self-assessment of Audit & Finance Committee performance.
5. Perform such other functions as assigned by law, the Corporation's charter or bylaws, or the Corporate Board.

Detailed decision accountabilities for the Committee's chief duties (for the Audit & Finance Committee, the Corporate Board, the Subsidiary Bank Board and management) can be found in Appendix A of this document.

V. "Value-Added" Mission of the Committee

The "value-added" mission of the Audit & Finance Committee is to foster a "no surprises" environment by identifying and reviewing potential risk indicators (e.g., unusually rapid growth, exposure to rapid technological changes, industry downturns, etc.), watching for signs of financial

manipulation, and reviewing management's adherence to approved operational and financial controls.

The Committee should also partner with management to provide guidance and insights on how internal policy shifts and/or changes in the external landscape (e.g., changes in accounting standards) could potentially impact the integrity of the Corporation's financial statements and/or its ability to comply with relevant regulations.

A list of illustrative value-added activities follows:

1. Discussion of scenario analyses of internal factors (e.g., shifting operational and financial controls) that could potentially impact the integrity of the Corporation's financial reporting and operations.
2. Strategic reviews of the impact of pending regulatory changes on the Corporation and how to best prepare for them internally.
3. Identification and discussion of potential risk factors that should be addressed by management.
4. Forward-looking discussions of the potential financial impact of major threats and opportunities across major components of the business (e.g., product offering, geography, customer segments, lines of business). These could include items such as technological shifts, financial market conditions, changes in the competitive landscape and/or changing market conditions. The Committee should discuss and consider the likely impact of these threats and opportunities on the Corporation's financial performance.
5. Discussion of the anticipated financial impact of potential material transactions.

VI. Strategic Development of Committee Members

Along with the new accountabilities and expectations of existing and new Directors, there will be a need for ongoing professional Director development to provide them with information relevant to their expanded duties. As appropriate, meeting time may be set aside to accommodate guest speakers/ experts to provide Directors with information and perspectives regarding market trends, technical issues, and other topics.

VII. Committee Relationships

This section highlights key relationships and differences in decision accountabilities across various constituencies for the Committee's key decision accountabilities. This will enable the Audit & Finance Committee to appropriately distinguish their specific role vs. that of other parties, and also, know what their role is *not*.

Corporate Board and Subsidiary Bank Board

Since the Audit & Finance Committee is a committee of both the Corporate Board and Subsidiary Bank Board, the Committee is responsible for appointing, compensating, retaining and overseeing the work of the External Auditor.

The Corporate Board is responsible for reviewing reports and summaries from the Audit & Finance Committee regarding financial and operational compliance policies, and unplanned expenditures.

On an annual basis, the Corporate Board is responsible for granting final approval of the corporate budget and reviewing and approving the Audit & Finance Committee Charter.

The Corporate Board is also responsible for approving the Audit & Finance Committee's recommendations regarding the distribution of dividend payments for the Corporation and, when necessary, share repurchases.

Management

Management's role is to initiate and develop financial and operational policies and controls that ensure compliance with all relevant regulations and the integrity of all financial reports released to shareholders and the public. Management is also responsible for ensuring that the Corporation is adhering to all such policies and procedures. Management will take the lead in developing such policies and procedures, and will present them to the Audit & Finance Committee for review and approval.

Management is also responsible for developing several specific items for review by the Audit & Finance Committee. They shall prepare the corporate budget, work with the External Auditor and other auditors or examiners (e.g., OCC and SEC officials), annually revise (when necessary) the Audit & Finance Committee Charter, and prepare summaries of meetings of the Audit & Finance Committee to share with the full Corporate Board.

The Committee will be assigned a Management Representative, who may be supported by other members of management.

Outside Advisers

The Audit & Finance Committee may seek advice or counsel from external advisers (e.g., attorneys, management consultants, topical experts, etc.) on an as needed basis, including those involved in the strategic development of Committee members (refer to Section VI of this document). The hiring of such advisers will be at the Committee's discretion. Generally, the Committee Chair of the Audit & Finance Committee should seek the approval of the Corporate Board for any expenditures in excess of \$10,000.

VIII. Meeting Schedule

The Audit & Finance Committee shall hold such scheduled, standing meetings per year as are set forth on the calendar adopted by the Board of Directors for the coming year.

The Committee shall meet privately on a regular basis with management, the Director of Internal Audit, the External Auditor, and as a Committee to discuss any matters that the Committee or each of these groups believes should be discussed. The Committee shall provide an open avenue of communication between the internal auditors, the External Auditor, management, and the Boards. This shall be accomplished by providing periodic updates of the Committee's activities during meetings of the Corporate Board; the scheduling of presentations by the internal auditor and the External Auditor at certain Board and Committee meetings; and written summaries of the actions of the Committee, the internal auditor, and the External Auditor, that can be reviewed by Corporate Board Directors as part of their pre-meeting preparation.

IX. Appendices

Appendix A: Decision Accountability Matrix: Audit & Finance Committee

DECISION ACCOUNTABILITY MATRIX: AUDIT AND FINANCE COMMITTEE

Role: Assist the Board in fulfilling its oversight role by reviewing the Corporation’s financial statements reporting process, internal controls, compliance with all relevant rules and regulations, and the external audit process.

Governance Item	Description	Decision Roles			Frequency
		Management	Audit and Finance Committee	Corporate Board	
1. Internal Controls	Management processes designed to assure operational efficiency and reliability of financial condition and information	Initiate, Develop, Oversee	Review, Monitor, Approve	Review	Periodically
2. Corporate Budget	The allocation of funds designated to accomplish specific business goals	Initiate, Develop	Monitor, Review	Review, Approve (for the Corporation; the Subsidiary Bank Board approves the budget for the Bank and its subsidiaries)	Annually (develop/approve budget) Periodically (monitor performance against budget)
3. Financial Reporting	Adherence to operational and financial reporting policies for the Corporation and all subsidiaries	Initiate, Develop, Oversee	Monitor, Approve	Review	As Needed (develop/approve policies) Periodically (monitor compliance)
4. Unplanned Expenditures	All management expenditures outside of the budget in excess of \$1,000,000	Initiate, Develop	Review, Approve (Executive Committee of the Corporate Board approves unplanned expenditures between meetings of Audit & Finance)	Review	As Needed

**DECISION ACCOUNTABILITY MATRIX:
AUDIT AND FINANCE COMMITTEE *continued***

Governance Item	Description	Decision Roles			Frequency
		Management	Audit and Finance Committee	Corporate Board	
5. Regulatory Compliance	Adherence to all relevant audit and financial rules and regulations of the OCC, SEC, FDIC, Federal Reserve, and any other applicable regulatory bodies	Initiate, Develop, Oversee	Review, Monitor, Approve (all financial reporting compliance for the Corporation, the Bank, and its subsidiaries ¹)	Review	Annually (review policy) As Needed (develop/approve Policy) Periodically (monitor compliance)
6. Internal Auditors	The management of the function within the company that establishes the internal control environment	Initiate, Develop, Oversee	Monitor, Approve	Review	As Needed (approve policies) Periodically (monitor controls)
7. External Auditors	The hiring of competent external auditors who assess the company's financial statements to ensure compliance with Generally Accepted Auditing Principles (GAAP)	Initiate, Develop	Approve, Oversee		Periodically (oversee actions of auditor) Annually (approve auditor selection)
8. Accounting Principles	The methods used to record financial transactions	Initiate, Develop, Oversee	Review, Monitor, Approve	Review	Periodically (monitor compliance with GAAP) As Needed (review/approve to reflect changing standards)

¹ Those regulations that are applicable to the Bank and its subsidiaries shall be monitored by the Audit & Finance Committee in its capacity as a Committee of the Bank. Those regulations that are applicable to the Corporation (e.g., those dealing with the issuance of public securities, financial reporting, etc.) shall be monitored by the Audit & Finance Committee in its capacity as a Committee of the Corporation.

**DECISION ACCOUNTABILITY MATRIX:
AUDIT AND FINANCE COMMITTEE *continued***

Governance Item	Description	Decision Roles			Frequency
		Management	Audit and Finance Committee	Corporate Board	
9. Audit and Finance Committee Charter and Mission Statement	The official charter detailing the role and responsibilities of the Audit & Finance Committee; the Mission Statement detailing operational guidelines for the Audit & Finance Committee	Initiate, Develop	Contribute, Monitor, Recommend	Review, Approve	Annually (review/approve charter) Periodically (monitor compliance with charter)
10. Board Communication	Presentations to the Board that explain the business impact of the Audit and Finance Committee's actions	Initiate, Develop	Contribute, Approve	Review	Periodically