



AUDIT & FINANCE COMMITTEE  
MISSION STATEMENT

# 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. Appendices .....	12
Appendix A: Decision Accountability Matrix: Audit & Finance Committee....	13
Appendix B: Meeting Agendas.....	16
Appendix C: Committee Information Needs .....	18
Appendix D: “Official” Audit & Finance Committee Charter .....	20

**This Mission Statement is based on Trustmark’s official Audit Committee charter. It has been modified to integrate additional key Committee roles and to provide information in a consistent format across Committees.**

**This Mission Statement should be read in conjunction with the Board Mission Statement, which includes additional information relevant to all Trustmark Directors.**

## I. Committee Role

The Audit & Finance Committee is a Committee of both the Corporate Board and its subsidiaries. Its primary function is to assist the Boards in fulfilling their oversight responsibilities by reviewing the Corporation's (including all of its subsidiaries) financial reporting process, the system of internal controls and risk management policies that management and the Boards of Directors have established, the processes by which management complies with relevant regulations (i.e., including, but not limited to, those related to truth in lending, privacy, the Corporation's issuance of public securities, financial reporting, etc.), 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, Independent Auditor – 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 requirements of the National Association of Securities Dealers, Inc. 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 the NASD, free from any relationship that would interfere with the exercise of his or her independent judgment.

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 shareholders' equity, cash flow statement and related footnotes or required footnote disclosures. At least one member of the Committee shall have accounting or related financial management expertise and meet the requirements of an Audit Committee Financial Expert as defined. 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** – One 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** – One 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** – One 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, one 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. Technology knowledge** – One or more members of the Audit & Finance Committee should have a basic knowledge and awareness of technologies that are applied in the areas of financial reporting and controls.
- 6. Industry knowledge** – One 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 review the processes by which management identifies risks, and related controls that ensure compliance with all relevant 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.

[Please refer to Appendix C of the Board Mission Statement for specific definitions of the decision accountability terms (e.g., initiate, develop, contribute, oversee, monitor, review, recommend, approve) used in this section.]

In fulfilling its role, the Audit & Finance Committee shall engage in the following activities:

##### **Oversight of the Corporation's Audit Activities**

1. Recommend to the Corporate Board the Independent Auditor to be nominated, approve the compensation of the Independent Auditor, evaluate the Independent Auditor; and where appropriate, replace the Independent Auditor. Consider with management and the Independent Auditor the rationale for: (i) employing audit firms other than the principal Independent 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 Independent Auditor that they are ultimately accountable to the Corporate Board and the Audit & Finance Committee.

3. Assure the objectivity and the independence of the internal auditor and the Independent Auditor, including a review of management consulting services and related fees provided by the Independent Auditor. Inquire of any other relationships that the Independent Auditor might have that would impair their independence. Obtain from the Independent Auditor written disclosures required by the Independence Standards Board. Establish and monitor adherence to a pre-approval policy for use of the independent auditors.
4. Review and concur in the appointment, replacement, reassignment, performance, or dismissal of the Director of Internal Auditing.
5. Serve as the body to which the Director of Internal Auditing directly reports. Grant final approval regarding the compensation and performance evaluation of the Director of Internal Auditing, which shall be determined and recommended by the Chief Financial Officer.
6. Consider, in consultation with the Independent Auditor, the CFO, and the Director of Internal Auditing, the audit scope and plan of the internal auditors and the Independent Auditor. Review the Independent Auditor's engagement letter.
7. Review with the Director of Internal Auditing and the Independent 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 Auditing:
  - 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 the IIA's Standards for the Professional Practice of Internal Auditing.

9. Inquire of management, the Director of Internal Auditing, and the Independent 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 Auditing and the Independent Auditor the adequacy of the Corporation's internal controls including computerized information system controls and security.

### **Oversight of the Financial Reporting**

1. Review with management and the Independent Auditor at the completion of the annual examination (and before public release):
  - a. The Corporation's annual financial statements and related footnotes.
  - b. The Independent Auditor's audit of the 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 Independent Auditor's audit plan.
  - e. Any serious difficulties or disputes with management encountered during the course of the independent audit.
  - f. Management's report on internal controls.
  - g. The Independent Auditor's audit of internal controls and the report thereon.
  - h. Other matters related to the conduct of the independent audit that are to be communicated to the Committee under generally accepted auditing standards.
2. Advise financial management and the Independent Auditor that they are expected to provide a timely analysis of significant current financial reporting issues and practices.

3. Provide that financial management and the Independent 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. Discuss any financial accounting issues required to be communicated by the Independent Auditor prior to filing interim financial statements.
5. Review annually, with the Independent Auditor and general counsel, legal and regulatory matters that may have a material impact on the financial statements, related company compliance policies, and programs and reports or inquiries received from regulators or other governmental agencies.
6. 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 the National Association of Securities Dealers.
7. Establish and review 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 issuer of concerns regarding questionable accounting or auditing matters.

## **Oversight of Regulatory Compliance**

1. Approve management's policies for adhering to all relevant rules and regulations of the OCC, SEC, FDIC, Federal Reserve, and any other applicable regulatory bodies (e.g., regulations related to fairness in lending, community lending, privacy, BSA/AML, the Corporation's issuance of debt and equity securities to the public, associated financial reporting, and any other regulations that are imposed on the Corporation



and its subsidiaries). Periodically review management's efforts to remain in compliance with these regulations.\*

2. Approve, on an as needed basis, the Corporation's CRA Statement and review management's efforts to meet the needs of low and moderate income families by complying with the Community Reinvestment Act.

## **Corporate Budget**

1. Review financial results against the corporate budget (including Trustmark National Bank's budget) annually approved by Trustmark's Boards. Management is responsible for developing the actual budget.

## **Privacy Policy**

1. Review management's information security policy for addressing issues related to customer privacy, providing input and guidance into its development when necessary. Review the process by which management monitors compliance with the approved Privacy Policy. The Corporate Board shall review and approve the Privacy Policy on an annual basis.

## **Dividend Issuance**

1. Work with management to recommend the Corporation's and the Bank's dividend payments. The Corporate Board shall grant final approval of the Corporation's dividend, and the Subsidiary Bank Board shall grant final approval of the Bank's dividend.

## **Share Repurchase Program**

1. Work with management to recommend share repurchases as part of the Corporation's capital management program. Final approval shall be granted by the Corporate Board.

## **Unplanned Expenditures**

1. Review and approve all proposed management expenditures, outside of the corporate budget, in excess of \$100,000 for land, and \$500,000

---

\* Those regulations that are applicable to the Bank and its subsidiaries (e.g., those dealing with lending, privacy, etc.) shall be monitored and approved 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 and approved by the Audit & Finance Committee in its capacity as a Committee of the Corporation.

for all others. 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/Audit & Finance Committee Mission Statement**

1. Review and reassess the adequacy of the Committee's official charter annually. The charter shall be approved by the Corporate Board and published at least every 3 years in accordance with SEC regulations.
2. Review and reassess the adequacy of the Audit & Finance Committee Mission Statement annually. The Corporate Board shall grant final approval of the Audit & Finance Committee Mission Statement.

## **Other**

1. Annually review a summary of Directors' and officers' related transactions and potential conflicts of interest.
2. Annually review with the Director of Internal Auditing and the Independent Auditor the results of their review of the Corporation's monitoring of compliance with the Corporation's code of conduct.
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.

By reviewing data, reports, presentations, and other materials before the actual Committee meeting (please refer to section XIII of the Board Mission Statement for more detail on required pre-meeting preparation), at least half of the actual meeting time will be made available for value-added activities. 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. Discussion of capital management options for the Corporation.
4. Identification and discussion of potential risk factors that should be addressed by management.
5. 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.
6. 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. A certain amount of annual meeting time should be set aside to accommodate guest speakers/instructors that could participate in select Committee meetings to equip Directors with information and perspectives regarding market trends, technical issues, and

other topics that will provide context for their value-added duties. Alternatively, this strategic development may be conducted outside of the context of regularly scheduled meetings (e.g., Committee retreats). These external resources could include:

1. Industry analysts
2. Director of Internal Audit
3. The Independent Auditor
4. Financial/risk consultants
5. Investment bankers
6. Attorneys
7. Representatives from the SEC, OCC, Federal Reserve, and/or state regulatory bodies
8. Professors of finance or accounting

## 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*.

### Subsidiary Bank Board

The Subsidiary Bank Board must approve the Bank's and its subsidiaries' annual budget, which are components of the overall corporate budget. It shall also approve the Bank's dividend payments. The Audit & Finance Committee shall review actual results vs. budgeted results for the Bank.

### Corporate Board

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, selecting the Independent Auditor, approving the Corporation's Privacy

Policy, and reviewing and approving the Audit & Finance Committee Charter and Mission Statement.

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 Independent Auditor and other auditors (e.g., OCC and SEC officials), draft the Corporation's Privacy Policy, initiate dividend and capital management policies, annually revise (when necessary) the Audit & Finance Committee Charter and Mission Statement, 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. Please refer to Addendum A (this document is in process) for a list of the Management Representatives and other management supporting them for each Committee of Trustmark's Boards.

## **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 five scheduled, standing meetings per year. Additional meetings may be held as circumstances dictate. The scheduled meetings shall be held in January, February/March, April, July, and October. Exact meeting times and dates are to be

determined at a later date. Please refer to Appendix B for a list of major topics to be covered at each meeting, and Appendix C for the associated Committee information needs.

The Committee shall meet privately at least annually with management, the Director of Internal Audit, the Independent 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 Independent 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 Independent Auditor at certain Board and Committee meetings; and written summaries of the actions of the Committee, the internal auditor, and the Independent 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

Appendix B: Meeting Agendas

Appendix C: Committee Information Needs

Appendix D: "Official" Audit & Finance Committee Charter

## **TRUSTMARK CORPORATION**

### **AUDIT AND FINANCE COMMITTEE CHARTER**

The Audit and Finance Committee (the Committee) is a committee of the Board of Directors. Its primary function is to assist the Board in fulfilling its oversight responsibilities by monitoring Trustmark's accounting and financial reporting process, the systems of internal controls that management and the Board of Directors have established, and the audit process. The Committee is neither intended nor equipped to guarantee with certainty to the full Board and shareholders the accuracy and quality of Trustmark'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 independent accountant - and assesses practices and safeguards, and encourages procedures that promote accountability on the part of the full-time professionals.

Audit and Finance Committee members shall meet the requirements of the National Association of Securities Dealers, and the Securities and Exchange Commission. The Audit and Finance Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent directors, 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 company or any of its subsidiaries. Audit and 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 and understand fundamental financial statements, including Trustmark's balance sheet, income statement and cash flow statement and at least one member of the Committee shall meet the requirements of an audit committee financial expert as defined, or the reasons why not will be disclosed.

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

The Committee shall meet at least five times annually, or more frequently as circumstances dictate. The Audit and Finance Committee chairperson shall prepare or approve an agenda in advance of each meeting. The Committee shall meet privately on a regular basis with management, the director of the internal auditing department, the independent accountants, and as a committee to discuss any matters that the Committee or each of these groups believe should be discussed. The Committee shall provide an open avenue of communication between the internal auditors, the independent accountant, management, and the Board of Directors.

The Committee shall have the power, including funding, to conduct or authorize investigations into any matters within the committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.

In meeting its responsibilities, the Audit and Finance Committee's responsibilities include:

**I. Oversight of Trustmark's Audit Activities**

- A. Recommend to the Board of Directors the independent accountants to be nominated, approve the compensation of the independent accountants, evaluate the independent accountants; and where appropriate, replace the independent accountants.
- B. Instruct the independent accountants that they are ultimately accountable to the Board of Directors and the Audit and Finance Committee and that they must directly report to the Audit and Finance Committee.
- C. Assure the objectivity and the independence of the internal auditor and the independent accountants, including a review of management consulting services and related fees provided by the independent accountants. Inquire of any other relationships that the independent accountants might have that would impair their objectivity and independence. Actively engage in a dialogue with the independent accountants with respect to any disclosed relationships or services. Obtain from the independent accountants written disclosures required by the Independence Standards Board. Establish and monitor adherence to a pre-approval policy for use of the independent accountant.
- D. Review and concur in the appointment, replacement, reassignment, performance, or dismissal of the director of internal auditing.
- E. Consider, in consultation with the independent accountants and the director of internal auditing, the audit scope and plan of the internal auditors and the independent accountants. Review and approve the independent accountants' engagement letter.
- F. Review with the director of internal auditing and the independent accountants the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- G. Consider and review with management and the director of internal auditing:
  - 1. Significant findings during the year and management's responses thereto (including the status of previous audit recommendations).
  - 2. Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.
  - 3. Any changes required in the planned scope of their audit plan.
  - 4. The internal auditing department budget and staffing.
  - 5. The internal auditing department charter.
  - 6. Internal auditing's compliance with The IIA's Standards for the Professional Practice of Internal Auditing.



- H. Inquire of management, the director of internal auditing, and their independent accountants about significant risks or exposures and assess the steps that management has taken to minimize such risks to Trustmark.
- I. Consider and review with the director of internal auditing and the independent accountants the adequacy of Trustmark's internal controls including computerized information system controls and security.

## **II. Oversight of Financial Reporting**

- A. Review with management and the independent accountants at the completion of the annual examination:
  - 1. Trustmark's annual financial statements and related footnotes. Discuss critical accounting policies, including an assessment of management's disclosures.
  - 2. The independent accountants' audit of the financial statements and his or her report thereon.
  - 3. Any significant findings during the year and management's responses thereto, including the status of previous audit suggestions.
  - 4. Any significant changes required in the independent accountants' audit plan.
  - 5. Any serious difficulties or disputes with management encountered during the course of the audit.
  - 6. All alternatives within GAAP for material items that were discussed with management.
  - 7. Management's report on internal controls.
  - 8. The Independent Auditor's audit of internal controls and the report thereon.
  - 9. Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- B. Advise management and the independent accountants that they are expected to provide a timely analysis of significant current financial reporting issues and practices.
- C. Provide that management and the independent accountants discuss with the Audit and Finance Committee their judgments about the quality, not just the acceptability, of Trustmark's accounting principles as applied in its financial reporting. Inquire as to the consistency of Trustmark's accounting principles and their application, and the clarity and completeness of Trustmark's financial statements, which include related disclosures. Inquire regarding items that have a significant impact on the representational faithfulness, verifiability, and neutrality of the accounting information included in the financial statements.
- D. Discuss any items required to be communicated by the independent accountants prior to filing interim financial statements. Inquire of any disagreements with management and its resolution quarterly.
- E. Review annually with general counsel legal and regulatory matters that may have a material impact on the financial statements, related company compliance policies, and programs and reports or inquiries received from regulators or other governmental agencies.
- F. Submit reports as required by the Securities and Exchange Commission and/or the National Association of Securities Dealers.
- G. Establish and review 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 company of concerns regarding questionable accounting or auditing matters.

### **III. Other Audit and Finance Committee Responsibilities**

- A. Annually review a summary of directors' and officers' related transactions and potential conflicts of interest.
- B. Review annually with the director of internal auditing and the independent accountants the results of their review of Trustmark's monitoring of compliance with Trustmark's codes of conduct.
- C. Consider with management and the independent accountants the rationale for employing audit firms other than the principal independent accountant.
- D. Maintain minutes and report committee actions to the Board of Directors with such recommendations as the Committee may deem appropriate.
- E. Annually perform a self-assessment of audit committee performance.
- F. Perform such other functions as assigned by law, Trustmark's charter or bylaws, or the Board.
- G. Review and reassess the adequacy of the committee's charter annually. The charter shall be approved by the Board of Directors and published at least every three years in accordance with SEC regulations.