

TRUSTMARK CORP
Form DEF 14A
March 16, 2015
Table of Contents

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

Trustmark Corporation

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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 - 1) Amount Previously Paid:
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Table of Contents

Table of Contents

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The 2015 Annual Meeting of Shareholders of Trustmark Corporation (Trustmark) will be held as follows:

DATE AND TIME

Tuesday, April 28, 2015, at 2:00 p.m.

LOCATION

Trustmark Conference Center

Mississippi Sports Hall of Fame

1152 Lakeland Drive

Jackson, Mississippi 39216

ITEMS OF BUSINESS

- 1) To elect a board of eleven directors to hold office for the ensuing year or until their successors are elected and qualified.
- 2) To provide advisory approval of Trustmark's executive compensation.
- 3) To approve the Trustmark Corporation Amended and Restated Stock and Incentive Compensation Plan.
- 4) To ratify the selection of KPMG LLP as Trustmark's independent auditor for the fiscal year ending December 31, 2015.
- 5) To transact such other business as may properly come before the meeting.

RECORD DATE

Shareholders of record on February 17, 2015, are eligible to vote at the meeting in person or by proxy.

PROXY VOTING/REVOCATION

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You are urged to vote your shares as soon as possible, whether or not you plan to attend the meeting. You may vote your shares by Internet by following the instructions on the Notice of Internet Availability or proxy card.

If you received a printed copy of the proxy statement, you may also vote your shares by signing and returning the enclosed proxy card in the enclosed reply envelope.

If you do attend the meeting, you may revoke your proxy prior to the voting thereof. You may revoke your proxy by following the instructions on page 2 of the proxy statement.

T. Harris Collier III
Secretary of the Board

Table of Contents**TABLE OF CONTENTS**

<u>GENERAL INFORMATION</u>	1
<u>Solicitation by the Board of Directors</u>	1
<u>Meeting Location, Date and Time</u>	1
<u>Shareholders Entitled to Vote</u>	1
<u>Required Vote</u>	1
<u>How to Vote</u>	1
<u>Revocation of Proxies</u>	2
<u>Voting on Other Matters</u>	2
<u>Cost of Proxy Solicitation</u>	2
<u>CORPORATE GOVERNANCE</u>	2
<u>Board Mission</u>	2
<u>Meetings of the Board of Directors</u>	3
<u>Director Attendance at the Annual Meeting</u>	3
<u>Director Independence</u>	3
<u>Board Leadership</u>	3
<u>Committees of the Board of Directors</u>	3
<u>Board Oversight of Risk Management</u>	4
<u>Committee Membership</u>	5
<u>Director Compensation</u>	5
<u>Director Compensation for 2014</u>	6
<u>Communications with Directors</u>	7
<u>Nomination of Directors</u>	7
<u>Director Qualifications</u>	7
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	10
<u>THE NOMINEES</u>	10
<u>STOCK</u>	14
<u>Securities Ownership by Certain Beneficial Owners and Management</u>	14
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	15
<u>EXECUTIVE COMPENSATION</u>	16
<u>Human Resources Committee</u>	16
<u>Compensation Discussion and Analysis</u>	16
<u>Summary Compensation Table for 2014</u>	34
<u>All Other Compensation for 2014</u>	35
<u>Grants of Plan-Based Awards for 2014</u>	36
<u>Outstanding Equity Awards at 2014 Fiscal Year-End (Option Awards)</u>	36
<u>Outstanding Equity Awards at 2014 Fiscal Year-End (Stock Awards)</u>	37
<u>Option Exercises and Stock Vested for 2014</u>	38
<u>Pension Benefits for 2014</u>	39
<u>Non-Qualified Deferred Compensation for 2014</u>	39
<u>Potential Payments Upon Termination or Change in Control</u>	40
<u>Human Resources Committee Report</u>	41
<u>Human Resources Committee Interlocks and Insider Participation</u>	41

<u>PROPOSAL 2: ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION</u>	41
<u>PROPOSAL 3: APPROVAL OF THE TRUSTMARK CORPORATION AMENDED AND RESTATED STOCK AND INCENTIVE COMPENSATION PLAN</u>	42
<u>PROPOSAL 4: RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR</u>	50
<u>AUDIT AND FINANCE COMMITTEE REPORT</u>	51
Principal Accountant Fees	51
Pre-Approval Policy	51
<u>RELATED PARTY TRANSACTIONS</u>	52
<u>PROPOSALS OF SHAREHOLDERS</u>	53
<u>AVAILABILITY OF PROXY MATERIALS</u>	53
<u>APPENDIX A</u>	A-1

Table of Contents

GENERAL INFORMATION

Solicitation by the Board of Directors

This proxy statement is being sent on or about March 16, 2015, in connection with the solicitation by the Board of Directors of Trustmark Corporation (Trustmark) of proxies to be voted at the 2015 Annual Meeting of Shareholders (the Annual Meeting) and at any adjournment or postponement thereof for the purposes set forth in the foregoing Notice of Annual Meeting of Shareholders.

Trustmark is furnishing this proxy statement over the Internet to most shareholders to lower the cost of this solicitation, expedite receipt of this proxy statement by shareholders and help conserve natural resources. These shareholders will not receive printed copies of the proxy statement and proxy card, and instead will receive a Notice of Internet Availability containing instructions on how to access the proxy materials over the Internet. If you received a Notice of Internet Availability, for additional information please see [Availability of Proxy Materials](#) on page 53.

Meeting Location, Date and Time

The Annual Meeting will be held in the Trustmark Conference Center at the Mississippi Sports Hall of Fame, located at 1152 Lakeland Drive, Jackson, Mississippi 39216, on Tuesday, April 28, 2015, at 2:00 p.m. To obtain directions to attend the meeting, contact the Secretary at 1-601-208-5088 or toll-free at 1-800-844-2000 (extension 5088).

Shareholders Entitled to Vote

Shareholders of record at the close of business on February 17, 2015, are entitled to notice of and to vote at the meeting in person or by proxy. On the record date, Trustmark had outstanding 68,114,841 shares of common stock.

Required Vote

A majority of the shares outstanding and entitled to vote constitutes a quorum. The eleven candidates who receive the highest number of affirmative votes will be elected as directors. In the election of directors, each shareholder may vote his shares cumulatively by multiplying the number of shares he is entitled to vote by the number of directors to be elected. This product constitutes the number of votes the shareholder may cast for one nominee or distribute among any number of nominees. For all other proposals, each share is entitled to one vote on each proposal. Any such proposal, including the advisory vote to approve Trustmark's executive compensation, approval of the Trustmark Corporation Amended and Restated Stock and Incentive Compensation Plan (the Amended and Restated Incentive Plan) and

ratification of the selection of KPMG LLP (KPMG) as independent auditor, will be approved if the votes cast in favor of the proposal exceed the votes cast opposing the proposal, if a quorum is present. While abstentions and broker non-votes are counted as shares present at the meeting for purposes of determining a quorum, they are not otherwise counted and, therefore, will have no effect on the outcome of the election of directors or any other proposal.

Applicable rules determine whether proposals presented at shareholder meetings are routine or non-routine. If a proposal is routine, a bank, broker or other holder of record which holds shares for an owner in street name generally

may vote on the proposal without receiving voting instructions from the beneficial owner. If a proposal is non-routine, the bank, broker or other holder of record generally may vote on the proposal only if the beneficial owner has provided voting instructions. A "broker non-vote" occurs when a broker or other entity returns a signed proxy card but does not vote shares on a particular proposal because the proposal is not a routine matter and the broker or other entity has not received voting instructions from the beneficial owner of the shares. The ratification of the selection of KPMG as independent auditor is considered a routine matter, while the election of directors, the advisory vote to approve Trustmark's executive compensation and the approval of the Amended and Restated Incentive Plan are considered non-routine matters.

All valid proxies received by Trustmark will be voted in accordance with the instructions indicated in such proxies. If no instructions are indicated in an otherwise properly executed proxy, it will be voted FOR the director nominees named in Proposal 1, FOR approval of Trustmark's executive compensation in Proposal 2, FOR approval of the Amended and Restated Incentive Plan in Proposal 3, FOR ratification of the selection of KPMG as independent auditor in Proposal 4 and on all other matters in accordance with the recommendations of the Board of Directors of Trustmark.

How to Vote

Shareholders of record can vote in person at the Annual Meeting or by proxy without attending the Annual Meeting.

To vote by proxy:

- (1) If you received a printed copy of the proxy statement, complete the enclosed proxy card, sign, date and return it in the enclosed postage-paid envelope, or
- (2) Vote by Internet (instructions are on the proxy card or the Notice of Internet Availability).

Table of Contents

If you hold your shares through a bank, broker or other holder of record, your bank, broker or agent will provide materials and instructions for voting your shares. If you hold your shares through a bank, broker or other holder of record, and you plan to vote in person at the meeting, you should contact your bank, broker or agent to obtain a legal proxy or broker's proxy card and bring it to the meeting in order to vote in person.

You will receive multiple Notices of Internet Availability or printed copies of the proxy materials if you hold your shares in different ways (e.g., individually, by joint tenancy, through a trust or custodial account, etc.) or in multiple accounts. Please vote the shares represented by each Notice of Internet Availability or proxy card you receive to ensure that all of your shares are voted.

Revocation of Proxies

A shareholder of record may revoke a proxy at any time before it is voted by written notice to the Secretary, by revocation at the meeting, by delivery to the Secretary of a subsequently dated proxy card or by submitting a later vote by Internet (instructions are on the proxy card or the Notice on Internet Availability). In the case of multiple submissions regarding the same shares, the proxy with the latest date will be counted.

If you hold your shares through a bank, broker or other holder of record, you should contact your bank, broker or agent to revoke your proxy or change your vote.

Voting on Other Matters

The Board of Directors is not aware of any additional matters to be brought before the meeting. If other matters do come before the meeting, the persons named in the accompanying proxy or their substitutes will vote the shares represented by such proxies in accordance with the recommendations of the Board of Directors of Trustmark.

Cost of Proxy Solicitation

Solicitation of proxies will be primarily by mail and electronic delivery. Associates of Trustmark and its subsidiaries may be used to solicit proxies by means of telephone or personal contact but will not receive any additional compensation for doing so. Banks, brokers, trustees and nominees will be reimbursed for reasonable expenses incurred in sending proxy materials to the beneficial owners of such shares. The total cost of the solicitation will be borne by Trustmark.

CORPORATE GOVERNANCE

Trustmark's governance structure enables the Board of Directors (the Board) to effectively and efficiently address key, specific issues such as business growth,

human capital, enterprise risk management and technology, among others. This is accomplished through five standing Board committees and through the effective utilization of the directors' combined wisdom and diverse experience and business knowledge.

Provisions of Trustmark's governance structure include, among other things, a mandatory retirement age of 70, a minimum ownership of Trustmark stock, required notification of changes in professional responsibilities and residence, a directors' attendance policy, as well as the authority to seek advice or counsel from external advisers on an

as-needed basis.

Board Mission

The role of the Board is to foster Trustmark's long-term success consistent with its fiduciary responsibilities to shareholders. As part of this role, Trustmark's Board is responsible for:

- Providing strategic guidance and oversight,
- Acting as a resource on strategic issues and in matters of planning and policy-making,
- Ensuring that management's operations contribute to Trustmark's financial soundness,
- Promoting social responsibility and ethical business conduct,
- Providing insight and guidance on complex business issues and problems in the banking and financial services industries,
- Providing oversight of risks facing Trustmark,
- Ensuring that an effective system is in place to facilitate the selection, succession planning and compensation of the Chief Executive Officer (CEO), and
- Ensuring Trustmark's compliance with all relevant legal and regulatory requirements.

The Board has adopted, and annually reviews, formal charters for the Board and its committees to address the governance guidelines and responsibilities of each. Likewise, the Board has adopted codes of conduct/ ethics for directors, senior financial officers (including the CEO) and associates. These materials are available on Trustmark's website at www.trustmark.com or may be obtained, without charge, by written request addressed to the Secretary of the Board, Trustmark Corporation, Post Office Box 291, Jackson, MS 39205.

Trustmark intends to provide required disclosure of any amendment to or waiver of its codes of conduct/ ethics that applies to the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, on www.trustmark.com under *Investor Relations/Corporate Governance* promptly following any such amendment or waiver. Trustmark may elect to disclose any such

Table of Contents

amendment or waiver in a report on Form 8-K filed with the Securities and Exchange Commission (SEC) either in addition to or in lieu of the website disclosure. The information contained on or connected to Trustmark's website is not incorporated by reference in this proxy statement and should not be considered part of this or any other document that Trustmark files with the SEC.

Meetings of the Board of Directors

The Board met four times in 2014. Each director attended at least 75% of the total number of meetings of the Board and Board committees of which the director was a member in 2014.

Director Attendance at the Annual Meeting

Directors are expected to attend the annual meeting of shareholders, and in 2014, nine of the ten then serving directors were present, with Mr. Puckett not in attendance.

Director Independence

The Board has affirmatively determined that the following directors and director nominees are independent directors (within the meaning of Rule 5605(a)(2) of the NASDAQ Listing Rules):

Adolphus B. Baker
Tracy T. Conerly
Toni D. Cooley
Daniel A. Grafton
David H. Hoster II

John M. McCullouch
Richard H. Puckett
R. Michael Summerford
LeRoy G. Walker, Jr.

In conjunction with these independence determinations, the Board considered the relationships, including through business affiliates, that Messrs. Hoster and Puckett and Ms. Cooley have as customers of Trustmark National Bank's (the Bank) subsidiary, Fisher Brown Bottrell Insurance, Inc., and that Mrs. Conerly's employer has as a service-provider to the Bank, and in each case concluded that the business relationship did not interfere with the individual's ability to exercise independent judgment as a director of Trustmark.

Board Leadership

Under Trustmark's governance guidelines, the Board has the responsibility to determine the most appropriate leadership structure for the company, including whether it is best for the company at a given point in time for the roles of Board Chairman and CEO to be separate or combined.

Since January 1, 2011, Trustmark has operated under a board leadership structure with separate roles for Board Chairman and CEO and, since May 10, 2011, Trustmark has had an independent Board Chairman.

The Board believes its current leadership structure is the most efficient and effective leadership structure for Trustmark at this time. The current leadership structure allows the CEO to focus on providing day-to-day leadership and management of the company, while, as an independent Board Chairman, Daniel A. Grafton, who has a broad business background and has developed extensive managerial and leadership skills through his business career, can provide guidance to the CEO, set the agenda for Board meetings (in consultation with the CEO and other members of

the Board), preside over meetings of the Board, serve as the primary communicator between the directors and the CEO and perform other administrative functions relating to the Board's activities. This separation of the roles also fosters greater independence between the Board and management.

The Board believes that maintaining separate Board Chairman and CEO positions permits Mr. Host to focus on managing Trustmark's business operations in his role as CEO while Mr. Grafton, as Board Chairman, maintains responsibility for leading the Board in its oversight function and consideration of broader corporate strategy. The Board believes that this leadership structure provides the appropriate balance between strategic development and independent oversight of management.

In the future, if the CEO were to also serve as Board Chairman, the governance guidelines contained in Trustmark's Board Charter provide that the independent chairman of the Executive Committee would serve as the Board's Lead Director with primary responsibility for chairing meetings of the non-management directors. The Lead Director would also be responsible for referring to the appropriate Board committee any issue brought to his attention by shareholders, directors or others and for serving as the primary communicator between the directors and the CEO. Mr. Grafton served as the Board's Lead Director from May 2010 until May 2011 when he became the independent Chairman of the Board.

Committees of the Board of Directors

There are five standing committees that collectively provide guidance on strategic issues, planning and policymaking: Audit and Finance, Enterprise Risk, Executive, Human Resources and Nominating. Currently, the committees are comprised solely of independent directors, with the exception of the Executive Committee.

Audit and Finance Committee

Under the terms of its Charter, the Audit and Finance Committee meets at least five times a year and is responsible for, among other things, the appointment, compensation and retention of the independent auditor, oversight of audit

Table of Contents

activities, financial reporting and regulatory compliance thereof, as well as review and approval of Trustmark's profit plan. The Committee meets with the independent and internal auditors without management present on a regular basis.

The Audit and Finance Committee Charter is posted on Trustmark's website at www.trustmark.com under *Investor Relations/Corporate Governance/Audit and Finance Committee Charter*.

Enterprise Risk Committee

The Enterprise Risk Committee has an essential role in Trustmark's Board oversight of risk management, as described in more detail below. In January 2015, Trustmark transitioned the Enterprise Risk Committee, formerly a committee of the Trustmark National Bank Board (Bank Board), into a joint committee of the Board and the Bank Board.

Executive Committee

The Executive Committee acts on behalf of the Board if a matter requires Board action before a meeting of the Board can be held. The Committee provides guidance to management on the strategic planning process and issues of strategic importance including business growth and expansion, material transactions and technology. Additionally, the Committee is responsible for reviewing the corporate governance structure and annually evaluating each director's performance against specific performance criteria. The Committee is also responsible for monitoring progress with Trustmark's long-term strategic and financial objectives.

Human Resources Committee

The role of the Human Resources Committee is to ensure that appropriate policies and practices are in place to facilitate the development of management talent, orderly CEO succession planning, corporate social responsibility and the setting of management compensation.

The Human Resources Committee Charter is posted on Trustmark's website at www.trustmark.com under *Investor Relations/Corporate Governance/Human Resources Committee Charter*.

Nominating Committee

The Nominating Committee is charged with the responsibility of seeking, interviewing and recommending to the Board qualified candidates for Board and committee membership.

The Nominating Committee Charter is posted on Trustmark's website at www.trustmark.com under

Investor Relations/Corporate Governance/Nominating Committee Charter.

Board Oversight of Risk Management

Trustmark believes that its governance and leadership structures allow the Board to provide effective risk oversight. The Enterprise Risk Committee is responsible for monitoring risks that are being taken by Trustmark, understanding the enterprise-wide effect of those risks and reporting on such risks to the Board and the Bank Board on at least a quarterly basis. The Committee also provides important oversight, review and approval of Trustmark's and the Bank's stress testing and other risk evaluation processes and receives reports from the Board's and the Bank Board's other committees about risks that are under the committees' specific purview.

In addition to the reports from the Enterprise Risk Committee, Trustmark's directors receive and discuss regular reports prepared by Trustmark's senior management, including the Chief Financial Officer and the Chief Risk Officer. Through these reports, Trustmark's directors receive information on areas of material risk to the company, including credit, liquidity, market/interest rate, compliance, operational, technology, strategic, financial and reputational risks, and these reports enable Trustmark's directors to understand the risk identification, risk management and risk mitigation strategies employed by Trustmark's management and the Enterprise Risk Committee. The Board and the Enterprise Risk Committee will request supplemental reports from Trustmark's management with regard to risk management and risk mitigation strategies as appropriate. This reporting and governance structure ensures information from the Enterprise Risk Committee, the other committees of the Board and the Bank Board, and management is analyzed and reported to the Board, and enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

Table of Contents**Committee Membership**

The following table shows the current membership of each committee and the number of meetings held by each committee during 2014:

Director	Audit and Finance	Enterprise Risk (1)	Executive	Human Resources	Nominating
Adolphus Baker		X		X	
Toni D. Cooley		X			
Daniel A. Grafton			Chairman	X	X
Gerard R. Host			X		
David H. Hoster II	X	Chairman	X		X
John M. McCullouch		X	X	Chairman	Chairman
Richard H. Puckett	X		X		X
R. Michael Summerford	Chairman		X	X	X
LeRoy G. Walker, Jr.	X				
William G. Yates III					
2014 Meetings	7	6	2	4	1

(1) The Enterprise Risk Committee was constituted as a joint committee of the Boards of Directors of Trustmark and the Bank in January 2015. During 2014, this committee was a committee of the Bank Board, and the meetings indicated were held by the Bank committee.

Director Compensation

Non-employee director compensation is determined by the Board of Directors, based on the recommendation of the Human Resources Committee, which periodically reviews non-employee director compensation to determine if changes are needed. Associates of Trustmark who also serve as directors receive no compensation for Board or committee service. In 2013, the Human Resources Committee's compensation consultant, Pearl Meyer & Partners (PM&P) conducted a review of Trustmark's compensation of non-employee directors, and concluded that their average compensation was significantly below the market. To improve the competitiveness of Trustmark's non-employee director compensation and ensure that Trustmark has the ability to continue attracting and retaining outside directors with the necessary skills and experience, in September 2013 the Human Resources Committee recommended, and in October 2013 the Board approved, changes to the non-employee director compensation for 2014.

Beginning January 2014, non-employee directors receive an annual retainer of \$13,000 for service on the Trustmark Board, an annual retainer of \$12,000 for their service as a Bank Board director, as well as \$1,500 for each Trustmark Board meeting attended. The Chairman of the Audit and Finance Committee receives an additional annual retainer of \$12,000, the Chairman of the Human Resources Committee receives an additional annual retainer of \$10,000, the Chairman of the Nominating Committee receives an additional annual retainer of \$2,000 and the independent

Chairman of the Board receives an additional annual retainer of \$36,000. All Board committee chairmen and committee members receive \$1,000 for each committee meeting attended (including ad hoc committees). In addition, each director who serves as chairman of a committee of the Bank Board receives an additional annual retainer of \$2,000. All Bank Board committee chairmen and committee members receive \$750 for each committee meeting attended. For meetings wherein the director attends via teleconference, the director receives one-half of the meeting fee. In addition, directors who serve as advisory directors on Trustmark's Community Bank Advisory Boards of Directors receive a fee of \$250 for each Advisory Board meeting attended, except for the Florida Community Bank Advisory Board of Directors, which receives a fee of \$1,000 for each Advisory Board meeting attended and meets quarterly. Annual retainer and meeting fees are paid monthly. Directors are also eligible to be reimbursed for expenses incurred in attending Board and committee meetings. Trustmark maintains a Directors' Deferred Fee Plan for non-employee directors who became directors prior to 2003, and who elected to participate in the plan. Under the plan, participating directors had to defer \$12,000 of fees annually to fund a portion of the cost of their defined retirement benefits and death benefits. The amount of the retirement benefit and death benefit has been determined based upon the participant's annual contribution amount, the length of Board service and the age of the director at date of entry into the plan. In order to control costs, and based on peer company and broader market data provided by PM&P, that comparable organizations were not providing this benefit to directors, the Board amended the plan on April 28, 2009, to cease future benefit accruals under, and contributions by directors to the plan effective March 1, 2010. The plan requires retirement benefits to commence at a director's normal retirement date (March 1 following age 65). Thus, should a director continue service beyond normal retirement date, retirement benefits would begin prior to cessation of Board service. Depending on a number of factors, the vested annual benefit at retirement is payable for the longer of life or twenty-five years and, as of December 31, 2014, ranges from \$51,000 to \$78,000 (taking into account the March 1, 2010 benefit accrual freeze) for current directors who elected to participate in the plan. If a participating director dies prior to normal retirement, his beneficiary will receive a scheduled death benefit for ten years. Trustmark has purchased life insurance contracts on participating directors to fund the benefits under this plan.

Table of Contents

Non-employee directors are eligible to receive equity compensation awards under the Trustmark Corporation 2005 Stock and Incentive Compensation Plan. Consistent with an October 2013 determination that the annual awards of time-based restricted stock for the non-employee directors should be valued at approximately \$42,500, on January 28, 2014, each non-employee director received 1,621 shares of time-based restricted stock, valued on a 10-day average closing stock price up to and including the date of the grant. Subject to accelerated vesting in full upon a change in control, upon retirement at or after age 65 or cessation of Board service at the end of an elected term, in each case with consent of the Human Resources Committee and where cause for termination is not present, or upon disability, death or termination without cause, the restricted shares vest on January 28, 2017, if the director is still serving at the time.

In addition to the \$1,000 minimum ownership required to become a director (as discussed under Director Qualifications), the Board imposes a director stock ownership requirement that requires all directors to own a minimum number of shares of Trustmark stock. This minimum number was increased from 3,000 shares to 6,000 shares effective January 1, 2014. All of the current directors other than Ms. Cooley already meet the new minimum ownership requirement. Ms. Cooley and any new director will have up to five years from the date Board service begins to meet the ownership requirement. Until a director has reached the minimum requirement, the director is required to hold 100% of the shares received from any Trustmark stock awards.

To ensure that directors bear the full risks of stock ownership, Trustmark's insider trading policy prohibits directors, among others, from engaging in options trading, short sales or hedging transactions relating to Trustmark stock. With limited exceptions, directors are also prohibited from pledging or creating a security interest in any Trustmark stock they hold.

Non-employee directors may defer all or a part of their annual retainer and meeting fees pursuant to Trustmark's Non-Qualified Deferred Compensation (NQDC) Plan. The compensation deferred is credited to an account, which is deemed invested in and mirrors the performance of one or more designated investment funds available under the plan and selected at the option of the director. The deferred compensation account will be paid in a lump sum or in annual installments at a designated time, upon the occurrence of an unforeseen emergency or upon a director's retirement or cessation of service on the Board.

Director Compensation for 2014

The following table provides director compensation information for the year ended December 31, 2014:

	Fees Earned or Paid in Cash (2)	Stock Awards (3)	Option Awards (4)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (5)	All Other Compensation (6)	Total
Name (1)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Dolphus B. Baker	\$ 40,500	\$ 41,465	---	---	\$118,044	\$ 4,119	\$ 204,128
Janis D. Cooley	\$ 37,371	\$ 41,465	---	---	---	\$ 2,949	\$ 81,785
Samuel A. Grafton	\$ 73,996	\$ 41,465	---	---	---	\$ 4,119	\$ 119,580
David H. Hoster II	\$ 44,500	\$ 41,465	---	---	---	\$ 4,119	\$ 90,084
John M. McCullough	\$ 53,746	\$ 41,465	---	---	---	\$ 4,119	\$ 99,330

Richard H. Puckett	\$ 46,500	\$ 41,465	---	---	\$181,584	\$ 4,119	\$ 273,66
Michael Summerford	\$ 56,496	\$ 41,465	---	---	---	\$ 4,119	\$ 102,08
Roy G. Walker, Jr.	\$ 42,496	\$ 41,465	---	---	\$164,621	\$ 4,119	\$ 252,70
William G. Yates III	\$ 34,500	\$ 41,465	---	---	---	\$ 4,119	\$ 80,08

- (1) Gerard R. Host, Trustmark's CEO, is not included in this table as he is an associate of Trustmark and thus received no compensation for his service as a director. The compensation received by Mr. Host as an associate of Trustmark is shown in the Summary Compensation Table on page 34.
- (2) The amounts in this column include fees deferred pursuant to the voluntary Trustmark Corporation NQDC Plan. Where applicable, the amounts also include fees paid for attendance at Community Bank Advisory Board of Directors meetings and at committee meetings of the Bank Board.
- (3) The amounts in this column reflect the aggregate grant date fair value of time-based restricted stock awards granted to the directors on January 28, 2014 (computed in accordance with ASC Topic 718 excluding the impact of estimated forfeitures). Assumptions used in the calculation of these amounts are included in Note 16 to Trustmark's audited financial statements for the year ended December 31, 2014, in Trustmark's Annual Report on Form 10-K filed with the SEC on March 2, 2015. At December 31, 2014, each non-employee director held 4,477 shares of unvested time-based restricted stock, except for Ms. Cooley, who held 3,205 shares of unvested time-based restricted stock.
- (4) No stock option awards were made during 2014. At December 31, 2014, none of the non-employee directors had any options outstanding.
- (5) The amounts in this column reflect the increase in actuarial present value of the directors' accumulated benefits under Trustmark's Directors' Deferred Fee Plan, determined using interest rate and mortality rate assumptions included in Note 15 to Trustmark's audited financial statements for the year ended December 31, 2014, in Trustmark's Annual Report on Form 10-K filed with the SEC on March 2, 2015.
- (6) The amounts in this column reflect the dividends credited to shares of unvested time-based restricted stock held by the directors on each dividend payment date during 2014. These dividends are accumulated and will vest and be paid only when and to the extent the related restricted shares vest.

Table of Contents

Communications with Directors

Shareholders desiring to contact Trustmark's Board may do so by sending written correspondence to Board of Directors, Trustmark Corporation, Post Office Box 291, Jackson, MS 39205 or by email to boardofdirectors@trustmark.com.

Communications will be referred to the Executive Committee Chairman, who will determine the appropriate committee to receive the communication and take any action deemed necessary by that committee.

Pursuant to Trustmark's Whistleblower Policy, complaints relating to Trustmark's accounting, internal accounting controls or auditing matters should be directed to the Trustmark Hotline at 1-866-979-3769. Complaints will be investigated by Trustmark's General Counsel and reported to the Audit and Finance Committee.

Nomination of Directors

Nominations for election to the Board may be made by or on behalf of the Board or by any shareholder of any outstanding class of capital stock of Trustmark entitled to vote for the election of directors at an annual meeting. Nominations other than those made by or on behalf of the existing Board of Trustmark shall be made in writing and shall be delivered or mailed to Trustmark's Chairman of the Board and received (a) not less than sixty days nor more than ninety days prior to the first anniversary of the mailing date of Trustmark's proxy statement in connection with the last annual meeting of shareholders, or (b) if no annual meeting was held in the prior year or the date of the annual meeting has been changed by more than thirty days from the date of the prior year's annual meeting, not less than ninety days before the date of the annual meeting. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee, (b) the principal occupation of each proposed nominee, (c) the total number of shares of capital stock of Trustmark that will be voted for each proposed nominee, (d) the name and residence address of the notifying shareholder, (e) the number of shares of capital stock of Trustmark owned by the notifying shareholder, (f) such other information regarding such proposed nominee as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had the proposed nominee been nominated by the Board, (g) a representation that the notifying shareholder is the owner of shares entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to nominate the proposed nominee, and (h) the written consent of each proposed nominee to serve as a director of Trustmark if so elected.

Nominations not made in accordance with the above procedure may be disregarded by the Chairman of the meeting at his discretion, and upon his instruction, all votes cast for each such nominee may be disregarded.

Trustmark's bylaws permit direct nominations by shareholders. Therefore, the Nominating Committee does not have a policy for considering nominations by shareholders through the process outlined above. However, if a shareholder wishes to recommend an individual for Board service, rather than directly nominate the individual as set forth above, the shareholder may submit the individual's name to the Nominating Committee in writing addressed to Trustmark Corporation Nominating Committee, Post Office Box 291, Jackson, MS 39205 or by email to boardofdirectors@trustmark.com. In order to give the Nominating Committee adequate time to consider any such individual for nomination as a director at the 2016 Annual Meeting of Shareholders, such recommendations should be delivered no later than October 1, 2015. In considering an individual recommended by a shareholder but not directly nominated, the Nominating Committee will use the same guidelines as set forth in the Director Qualifications section below.

When identifying potential candidates for director nominees, the Nominating Committee may solicit suggestions from incumbent directors, management or others. With regard to the proposed nominees for 2015, all nominees are current Board members, except for Mrs. Conerly, who was recommended by the CEO and the Chairman of the Board.

Director Qualifications

The Board believes that in order to appropriately carry out its roles, directors must demonstrate a variety of personal traits, leadership qualities and individual competencies. In considering nominees submitted by the Board or management and any recommendations submitted by shareholders, the Nominating Committee will use these personal traits, leadership qualities and individual competencies to assess future director nominees' suitability for Board service. The Nominating Committee also evaluates each director nominee's qualities in the context of how that nominee would relate to the Board as a whole, in light of the Board's current composition and Trustmark's evolving needs. Although Trustmark has no formal policy regarding diversity, the Nominating Committee believes that the Board should include directors with diverse skills, experience and business knowledge, and whose backgrounds, ages, geographical representation and community involvement contribute to an overall diversity of perspective that enhances the quality of the Board's deliberations and decisions. The Nominating Committee may consider these factors as it deems appropriate in connection with the general qualifications of

Table of Contents

each director nominee. To be eligible to serve on the Board, each director is required to own in his or her own right, common or preferred stock of Trustmark having an aggregate par, fair market or equity value of not less than \$1,000 as of the most recent of (i) the date of purchase, (ii) the date the person became a director, or (iii) the date of the director's most recent election to the Board. In addition, each director must own a minimum of 6,000 shares of Trustmark stock within five years of joining the Board. Upon attaining the age of 70, a director is required to retire from the Board effective upon completion of his or her then current term of office.

Personal Traits

Board service is an extremely important, high profile role and carries with it significant responsibility. For that reason, it is important that all directors possess a certain set of personal traits, including:

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|-------------------------------------|-------------------------------|
| Personal and Professional Integrity | High Performance Standards |
| Accountability | Initiative and Responsiveness |
| Informed Business Judgment | Business Credibility |
| Mature Confidence | |

Leadership Qualities

For individuals considered for Board leadership roles, the following skill sets are required:

- | | |
|--------------------------|---|
| Communication Skills | Facilitation Skills |
| Crisis Management Skills | Relationship Building/Networking Skills |

Individual Competencies

There are certain competencies that must be represented collectively by the directors on each Board committee, but each individual director need not necessarily possess all of them. The specific competencies vary by committee, as illustrated in the chart below:

