

TRUSTMARK CORP  
Form DEF 14A  
March 17, 2014  
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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.

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Notice of 2014

Annual Meeting of Shareholders

and Proxy Statement

proxy

statement

2014 Proxy Statement

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

The 2014 Annual Meeting of Shareholders of Trustmark Corporation (Trustmark) will be held as follows:

**DATE AND TIME**

Tuesday, April 29, 2014, at 9:00 a.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 ten 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 ratify the selection of KPMG LLP as Trustmark's independent auditor for the fiscal year ending December 31, 2014.
- 4) To transact such other business as may properly come before the meeting.

**RECORD DATE**

Shareholders of record on February 18, 2014, are eligible to vote at the meeting in person or by proxy.

**PROXY VOTING/REVOCAATION**

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

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### **GENERAL INFORMATION**

#### **Solicitation by the Board of Directors**

This proxy statement is being sent on or about March 17, 2014, in connection with the solicitation by the Board of Directors of Trustmark Corporation (Trustmark) of proxies to be voted at the 2014 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 45.

#### **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 29, 2014, at 9:00 a.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 18, 2014, are entitled to notice of and to vote at the meeting in person or by proxy. On the record date, Trustmark had outstanding 67,984,036 shares of common stock.

#### **Required Vote**

A majority of the shares outstanding and entitled to vote constitutes a quorum. The ten 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 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 and the advisory vote to approve Trustmark's executive compensation 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 ratification of the selection of KPMG as independent auditor in Proposal 3 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).

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.

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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 and technology, among others. This is accomplished through four 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,  
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](http://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](http://www.trustmark.com) under *Investor Relations/Corporate Governance* promptly following any such amendment or waiver. Trustmark may elect to disclose any such 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 2013. 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 2013.

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### **Director Attendance at the Annual Meeting**

Directors are expected to attend the annual meeting of shareholders, and in 2013, eight of the ten then serving directors were present, with R. Michael Summerford and LeRoy G. Walker, Jr. not in attendance. Toni D. Cooley, who was elected to the Board at the 2013 annual meeting, was also present.

### **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  
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 that businesses affiliated with Messrs. Hoster and Puckett and Ms. Cooley have as customers of the Bank's subsidiary, Fisher Brown Bottrell Insurance, Inc., 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, Mr. 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 nonmanagement 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. Daniel A. 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 four standing committees that collectively provide guidance on strategic issues, planning and policymaking: Audit and Finance, 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 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](http://www.trustmark.com) under *Investor Relations/Corporate Governance/Audit and Finance Committee Charter*.

#### ***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

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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](http://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](http://www.trustmark.com) under *Investor Relations/Corporate Governance/Nominating Committee Charter*.

### **Board Oversight of Risk Management**

Trustmark believes that its leadership structure allows the directors to provide effective oversight of Trustmark's risk management function. Trustmark's directors receive and discuss regular reports prepared by Trustmark's senior management, including the Chief Financial Officer and the Chief Risk Officer, on areas of material risk to the company, including credit, liquidity, market/interest rate, compliance, operational, technology, strategic, financial and reputational risks. The Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports to enable it to understand the risk identification, risk management and risk mitigation strategies and to ensure that the strategies are implemented appropriately. When a committee receives the report, the chairman of the relevant committee presents a report regarding the risk, including strategies for managing or mitigating the risk, as appropriate, to the full Board at the next Board meeting. To further support the risk management function, Trustmark also has an Enterprise Risk Management Committee, comprised solely of independent directors, at the Trustmark National Bank (the Bank) Board level. The Committee is responsible for an integrated effort to identify, assess and manage or mitigate material risks facing the company. The Committee reports to the Bank Board at least quarterly and works closely with senior management to ensure that Trustmark's Board receives appropriate information about risk identification, risk management and risk mitigation strategies. This reporting structure, which includes information from senior management and the Bank's Enterprise Risk Management Committee, enables Trustmark's Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

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The following table shows the current membership of each committee and the number of meetings held by each committee during 2013:

<b>Director</b>	<b>Audit and Finance</b>	<b>Executive</b>	<b>Human Resources</b>	<b>Nominating</b>
Aldolphus Baker			X	
Toni D. Cooley <sup>(1)</sup>				
Daniel A. Grafton		Chairman	X	X
Gerard R. Host		X		
David H. Hoster II	X	X		X
John M. McCullough		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				
<b>2013 Meetings</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>1</b>

(1) Ms. Cooley joined the Board on May 7, 2013.

**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.

Since May 2009, non-employee directors receive 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 Human Resources Committee receives an additional annual retainer of \$6,000, the Chairman of the Audit and Finance Committee receives an additional annual retainer of \$12,000, 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. 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 the Human Resources Committee's

compensation consultant, Pearl Meyer & Partners (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, 2013, 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.

Non-employee directors are eligible to receive equity compensation awards under the Trustmark Corporation 2005 Stock and Incentive Compensation Plan. Consistent with a July 2011 determination that the annual awards of time-based restricted stock for the non-employee directors should be valued at approximately \$35,000, on January 22, 2013, each non-employee director received 1,484 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 22, 2016, if the director is still serving at the time.



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In addition to the \$1,000 minimum ownership required to become a director (as discussed under Director Qualifications), since May 2009, the Board has imposed a director stock ownership requirement that requires all directors to own a minimum of 3,000 shares of Trustmark stock. Directors have up to five years from the later of May 2009 or 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.

**Changes for 2014.** A review by PM&P during 2013 concluded that the average compensation of Trustmark's non-employee directors 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 for 2014 to add a \$13,000 annual retainer for service on the Trustmark Board, increase the additional annual retainer for the Chairman of the Human Resources Committee to \$10,000, increase the annual time-based restricted stock grant value to \$42,500 and increase the Board's director stock ownership requirement to require a minimum of 6,000 shares.

**Director Compensation for 2013**

The following table provides director compensation information for the year ended December 31, 2013:

Name (1)	Fees Earned		Non-Equity Incentive Plan Compensation		Change in Pension Value and Non-Qualified Deferred Compensation		All Other Compensation	Total
	Cash or Paid in	Stock Awards (A)	Option Awards (B)	Compensation (C)	Earnings (5)	(6) (\$)		
	(2)	(A)	(B)	(C)	(5)	(6)	(6)	(8)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)

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Adolphus B. Baker	\$ 32,992	\$ 35,097	---	---	---	\$ 3,822	\$ 71,911
Toni D. Cooley	\$ 21,750	\$ 19,464	---	---	---	\$ 2,209	\$ 43,423
Daniel A. Grafton	\$ 66,500	\$ 35,097	---	---	---	\$ 3,822	\$ 105,419
David H. Hoster II	\$ 33,832	\$ 35,097	---	---	---	\$ 3,822	\$ 72,751
John M. McCullough	\$ 40,742	\$ 35,097	---	---	---	\$ 3,822	\$ 79,661
Richard H. Puckett	\$ 35,742	\$ 35,097	---	---	---	\$ 3,822	\$ 74,661
R. Michael Summerford	\$ 47,000	\$ 35,097	---	---	---	\$ 3,822	\$ 85,919
LeRoy G. Walker, Jr.	\$ 26,500	\$ 35,097	---	---	---	\$ 3,822	\$ 65,419
William G. Yates III	\$ 22,992	\$ 35,097	---	---	---	\$ 3,822	\$ 61,911

- (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 Trustmark National Bank Board of Directors (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 22, 2013 (computed in accordance with ASC Topic 718 excluding the impact of estimated forfeitures). Although Ms. Cooley was not yet serving on Trustmark's Board on January 22, 2013, she was serving on the Bank Board at the time, and her amount represents the time-based restricted stock award she received for her service on the Bank Board. 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, 2013, in Trustmark's Annual Report on Form 10-K filed with the SEC on February 24, 2014. At December 31, 2013, each non-employee director held 3,937 shares of unvested time-based restricted stock, except for Ms. Cooley, who held 2,184 shares of unvested time-based restricted stock.
- (4) No stock option awards were made during 2013. At December 31, 2013, non-employee directors had the following options outstanding from grants under Trustmark's stock and incentive compensation plans: Baker, McCullough, Puckett, Summerford, Walker 2,000 each, Cooley, Grafton, Hoster, Yates none.

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- (5) *In 2013, changes in pension value were negative and driven largely by an increase in the discount rate applied to calculate the present value of future pension payments. The changes in pension value are as follows: Baker -- \$(64,253), Puckett--\$(90,379), Walker -- \$(54,455). These amounts reflect the decrease 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, 2013, in Trustmark's Annual Report on Form 10-K filed with the SEC on February 24, 2014.*
- (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 2013. These dividends are accumulated and will vest and be paid only when and to the extent the related restricted shares vest.*

## **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](mailto: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](mailto:boardofdirectors@trustmark.com). In order to give the Nominating Committee adequate time to consider any such individual for nomination as a director at the 2015 Annual Meeting of Shareholders, such recommendations should be delivered no later than October 1, 2014. 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 2014, all nominees are current Board members.

### **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

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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 each director nominee. 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. 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. As part of a review conducted by PM&P during 2013, PM&P noted that Trustmark’s previous mandatory retirement age of 68 for directors was the youngest retirement age among all of the peer companies, which had an average mandatory retirement age of 72. In light of this observation, the Board increased the mandatory retirement age for directors to 70.

***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:

- |                                     |                               |
|-------------------------------------|-------------------------------|
| 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:

Individual Director Competencies	Board Committees			
	Audit and Finance	Executive	Human Resources	Nominating
1. Financial Acumen				

Accounting & finance knowledge	ü	ü	ü
Financial Statement analysis	ü		
Knowledge of capital markets	ü	ü	
Financial planning	ü		
Ability to communicate financial concepts in lay terms	ü	ü	
<b>2. Organizational Effectiveness</b>			
Talent management			ü
Understanding of compensation issues			ü
Ability to discern candidate qualifications			ü
<b>3. Strategic Direction</b>			
Vision		ü	ü
Strategic perspective		ü	ü
Technology knowledge	ü		
Industry knowledge	ü	ü	ü

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*Specific Director Experience, Qualifications, Attributes and Skills*

The Nominating Committee assists the Board by identifying individuals qualified to serve as Board members and by recommending to the Board the director nominees for election at the next annual meeting of shareholders. The Board believes that each director nominee possesses the personal traits described above and that each director nominee for a position of Board leadership also demonstrates the additional leadership qualities described above. In considering the director nominees' individual competencies, the Board believes that the appropriate competencies are represented for the Board as a whole and for each of the Board's committees. In addition, each nominee possesses characteristics that led the Board to conclude that such person should serve as a director. The specific experience, qualifications, attributes and skills that the Board believes each nominee possesses are discussed under Proposal 1 in the table entitled "The Nominees," beginning on page 10.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

The Board has fixed the number of directors for the coming year at ten. The nominees listed herein have been proposed by the Board for election at the meeting. Shares represented by valid proxies will, unless authority to vote is withheld, be voted in favor of the proposed slate of ten nominees. 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. The proxies reserve the right, in their discretion, to vote cumulatively. If a shareholder withholds authority for one or more nominees and does not direct otherwise, the total number of votes the shareholder is entitled to cast will be distributed among the remaining nominees.

Should any of these nominees be unable to accept the nomination, the votes which otherwise would have been cast for the nominee(s) will be voted for such other person(s) as the Board shall nominate. Each director is elected to hold office until the next annual meeting of shareholders or until a successor is elected and qualified. The persons who will be elected to the Board will be the ten nominees receiving the highest number of votes.

**The Board recommends that shareholders vote for the proposed nominees.**

**The Nominees**

**Adolphus B. Baker, 57**

*Career Highlights:*

Director of Trustmark since 2007

Chairman, President and CEO, Cal-Maine Foods, Inc.

*(Producer and Distributor of Shell Eggs)*

Trustmark Corporation Committees:

Human Resources

*Other Directorships:*

Trustmark National Bank

Cal-Maine Foods, Inc.

*Experience and qualifications:* Mr. Baker's position as president and chief operating officer and director of another publicly-traded company has provided him with significant business leadership skills and experience in evaluating strategic alternatives that focus on maximizing shareholder value. Mr. Baker's years of service as a director for Trustmark National Bank, and particularly as the Bank Board's Asset Liability Committee Chairman, provides him with an intrinsic understanding of Trustmark's strategy for managing liquidity, which is a skill essential to the Board's risk oversight function.



**Toni D. Cooley, 53**

Director of Trustmark since 2013

*Career Highlights:*

President, Systems Electro Coating, LLC

*(Provider of Electrocoating and Related Services to Original Equipment Manufacturers)*

*Other Directorships:*

Trustmark National Bank

Sanderson Farms, Inc.

*Experience and qualifications:* Ms. Cooley is the founder and president of Systems Electro Coating, a tier-one supplier to Nissan North America. She holds a Juris Doctor degree and has been a director for another publicly-traded company as well as several non-public organizations. In addition, Ms. Cooley has served on the Trustmark National Bank board as a member of both the Credit Policy and Enterprise Risk Management Committees, which has given her a solid understanding of Trustmark's core business and conservative values. Her leadership experience and business knowledge, with expertise in fields ranging from law to operations and technology, equip Ms. Cooley with the ability to contribute invaluable insight and broad perspective to Board discussions.

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**Daniel A. Grafton, 67**

*Career Highlights:*

Director of Trustmark since 2007

Retired President, L-3 Communications Vertex Aerospace

*(Provider of Aviation and Aerospace Services)*

Trustmark Corporation Committees:

Executive (Chairman)

Chairman, Trustmark Corporation

Human Resources

Chairman, Trustmark National Bank

Nominating

*Other Directorships:*

Trustmark National Bank

*Experience and qualifications:* Prior to his retirement, Mr. Grafton served as president of a leading aviation and aerospace services provider. During his career, Mr. Grafton also served as president and chief executive officer as well as chief operating officer for Raytheon Aerospace, a division of Raytheon Company, a publicly-traded company. His extensive business background, together with his experience on numerous boards and committees, has equipped him with the leadership and consensus-building skills necessary to serve as the Chairman of the Board and Executive Committee Chairman.

**Gerard R. Host, 59**

*Career Highlights:*

Director of Trustmark since 2010

President and CEO, Trustmark Corporation

President and CEO, Trustmark National Bank

Trustmark Corporation Committees:

Executive

*Other Directorships:*

Trustmark National Bank

*Experience and qualifications:* Mr. Host became president and chief executive officer of Trustmark Corporation and Trustmark National Bank, effective January 1, 2011, having served as president and chief operating officer of Trustmark National Bank prior to that time. He also currently serves as a director of the Federal Reserve Bank of Atlanta. Throughout his tenure with Trustmark, Mr. Host has served in a variety of executive management capacities, including chief financial officer, chief investment officer and president of various divisions. Mr. Host's in-depth knowledge of Trustmark's operations and of the financial services industry enables him to provide both historical and

strategic perspectives in Board discussions regarding corporate strategy and governance matters.

**David H. Hoster II, 68**

*Career Highlights:*

Director of Trustmark since 2008

President and CEO, EastGroup Properties, Inc.

*(Real Estate Investment Trust)*

Trustmark Corporation Committees:

Audit and Finance

*Other Directorships:*

Executive

Trustmark National Bank

Nominating

EastGroup Properties, Inc.

*Experience and qualifications:* Mr. Hoster serves as the president and chief executive officer and a director of a publicly-traded real estate investment trust. In these capacities, Mr. Hoster has developed an extensive understanding of commercial real estate and related investment and financing activities, which enables him to contribute invaluable insight and guidance on corporate strategy and risk management to Board discussions.

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**John M. McCullouch, 66**

*Career Highlights:*

Director of Trustmark since 2005

Retired President, AT&T Mississippi

Trustmark Corporation Committees:

*Other Directorships:*

Executive

Trustmark National Bank

Human Resources (Chairman)

Nominating (Chairman)

*Experience and qualifications:* Mr. McCullouch was the president of the Mississippi division of a major telecommunications company. Mr. McCullouch's legal background and business acumen provide him with the necessary skills to assess corporate governance matters and formulate strategy relative to Board planning and oversight. In addition, through his broad and extensive service on other non-public boards, Mr. McCullouch is attuned to the necessity of diversity from various perspectives, which is essential to his service as the Nominating Committee Chairman and as Human Resources Committee Chairman.

**Richard H. Puckett, 59**

*Career Highlights:*

Director of Trustmark since 1995

Chairman and CEO, Puckett Machinery

Company (*Distributor of Heavy Earth Moving Equipment*)

Trustmark Corporation Committees:

Audit and Finance

*Other Directorships:*

Executive

Trustmark National Bank

Nominating

*Experience and qualifications:* Mr. Puckett is the chairman and chief executive officer of a company that serves southern Mississippi, including Jackson, Mississippi, where Trustmark maintains its administrative headquarters. Mr. Puckett brings marketing and business leadership skills, as well as an in-depth understanding of the business climate and customer base in Trustmark's major legacy markets.

**R. Michael Summerford, 65**

*Career Highlights:*

Director of Trustmark since 2005

Former President and COO, ChemFirst, Inc.

*(Manufacturer of Electronic and Specialty Chemicals)*

Trustmark Corporation Committees:

Audit and Finance (Chairman)

*Other Directorships:*

Executive

Trustmark National Bank

Human Resources

Nominating

*Experience and qualifications:* Mr. Summerford has served as the president and chief operating officer and chief financial officer of another publicly-traded company. He was also a certified public accountant. His career experience has resulted in Mr. Summerford's expertise in understanding financial statements, accounting methodologies and compensation practices, which is essential to his service as the Audit and Finance Committee Chairman, as the audit committee financial expert and as a member of the Human Resources Committee.

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**LeRoy G. Walker, Jr., 64**

Director of Trustmark since 2009

Trustmark Corporation Committees:

Audit and Finance

*Career Highlights:*

President, LTM Enterprises, Inc.

*(McDonald's Franchisee)*

*Other Directorships:*

Trustmark National Bank

*Experience and qualifications:* Mr. Walker is the owner/operator of a franchise of a major national restaurant chain. Mr. Walker's experience in this regard has provided him with a unique and broad perspective of marketing and customer needs. His business skills and experiences on numerous non-public and civic boards demonstrate his ability to work successfully as part of a team and enable him to contribute diverse perspectives to Board discussions.

**William G. Yates III, 41**

Director of Trustmark since 2009

*Career Highlights:*

President and CEO, W.G. Yates & Sons

Construction Company (*Construction*)

*Other Directorships:*

Trustmark National Bank

*Experience and qualifications:* Mr. Yates is the president and chief executive officer of a commercial construction company with operating divisions located throughout the Southeast, many of which are within markets served by Trustmark. Mr. Yates' knowledge of these markets, as well as his leadership experience in the various aspects of the construction industry, including employee relations matters, contract negotiations and risk management, provide the Board with an important resource for assessing and managing risks and planning for corporate strategy.

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The following table reflects the number of Trustmark shares beneficially owned by (a) persons known by Trustmark to be the beneficial owners of more than 5% of its outstanding shares, (b) directors and nominees, (c) each of the named executive officers (NEOs) within the Executive Compensation section, and (d) directors and executive officers of Trustmark as a group. The persons listed below have sole voting and investment authority for all shares except as indicated. The percentage of outstanding shares of common stock owned is not shown where less than 1%. All percentage computations are based on 67,984,036 shares of Trustmark common stock outstanding as of February 18, 2014, which includes unvested restricted stock.

Name	Shares	Percent of Outstanding Shares
	Beneficially Owned	
BlackRock, Inc. BlackRock, Inc. 40 East 52nd Street New York, New York 10022	<i>as of 02/18/14 (1)</i> 8,545,807 (2)	12.57%
Robert M. Hearin Foundation Robert M. Hearin Support Foundation Post Office Box 16505 Jackson, Mississippi 39236	5,565,374 (3)	8.19%
State Street Corporation State Street Financial Center One Lincoln Street Boston, Massachusetts 02111	3,874,438 (4)	5.70%
The Vanguard Group 100 Vanguard Boulevard Malvern, Pennsylvania 19355	3,632,541 (5)	5.34%
Adolphus B. Baker	18,100 (6)(7)	
Toni D. Cooley	5,675 (8)	
Duane A. Dewey	39,331 (9)	
Daniel A. Grafton	34,764 (7)(10)	
Louis E. Greer	48,016 (9)	
Gerard R. Host	205,709 (11)	
David H. Hoster II	9,764 (7)	
John M. McCullouch	11,979 (6)(7)	
Richard H. Puckett	23,614 (6)(7)(12)	
Wayne A. Stevens	31,877 (9)	

R. Michael Summerford	12,764 (6)(7)	
Breck W. Tyler	47,099 (9)(13)	
LeRoy G. Walker, Jr.	12,249 (6)(7)	
William G. Yates III	9,830 (7)	
<b>Directors and executive officers of Trustmark as a group</b>	<b>933,517 (14)</b>	<b>1.37%</b>

(1) Includes options exercisable within 60 days of February 18, 2014.

(2) According to Amendment No. 5 to Schedule 13G filed with the SEC on January 10, 2014, by BlackRock, Inc., as of December 31, 2013, BlackRock, Inc., through its subsidiaries, has sole voting power with respect to 8,321,555 shares of Trustmark common stock and sole investment power with respect to 8,545,807 shares of Trustmark common stock. The foregoing information has been included solely in reliance upon the disclosures contained in the referenced amended Schedule 13G.

(3) Based solely on information provided to Trustmark by The Robert M. Hearin Foundation on behalf of The Robert M. Hearin Foundation, the Robert M. Hearin Support Foundation, Capitol Street Corporation and Galaxie Corporation (collectively, Hearin Foundation), as of January 10, 2014, the Hearin Foundation beneficially owns 5,565,374 shares of Trustmark common stock, including 383,928 shares owned by The Robert M. Hearin Foundation, 3,519,482 shares owned by the Robert M. Hearin Support Foundation, 1,388,964 shares owned by Capitol Street Corporation and 273,000 shares owned by Bay Street Corporation. Capitol Street Corporation is a 100% owned subsidiary of Galaxie Corporation, which may be deemed to be controlled by the Robert M. Hearin Support Foundation. Bay Street Corporation, may also be deemed to be controlled by the Robert M. Hearin Support Foundation, which owns an indirect 50% interest in it. Voting and investment decisions concerning shares beneficially owned by The Robert M. Hearin Foundation and the Robert M. Hearin Support Foundation are made by the Foundations trustees: Robert M. Hearin, Jr., Matthew L. Holleman, III, Daisy S. Blackwell, E.E. Laird, Jr., Laurie H. McRee and Alan W. Perry.

(4) According to Schedule 13G filed with the SEC on February 4, 2014, by State Street Corporation, as of December 31, 2013, State Street Corporation, through its subsidiaries, has shared voting and shared investment power with respect to 3,874,438 shares of Trustmark common stock. The foregoing information has been included solely in reliance upon the disclosures contained in the referenced Schedule 13G.

(5) According to Amendment No. 1 to Schedule 13G filed with the SEC on February 12, 2014, by The Vanguard Group, as of December 31, 2013, The Vanguard Group has sole voting power with respect to 100,635 shares of Trustmark common stock, sole investment power with respect to 3,536,806 shares of Trustmark common stock and shared investment power with respect to 95,735 shares of Trustmark common stock. The foregoing information has been included solely in reliance upon the disclosures contained in the referenced Schedule 13G.

(6) Includes 2,000 shares that Messrs. Baker, McCullough, Puckett, Summerford and Walker each have the right to acquire through the exercise of options.



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- (7) Includes 4,477 shares of restricted stock with respect to which Messrs. Baker, Grafton, Hoster, McCullough, Puckett, Summerford, Walker and Yates each have sole voting power but which cannot be transferred prior to vesting.*
- (8) Includes 3,205 shares of restricted stock with respect to which Ms. Cooley has sole voting power but which cannot be transferred prior to vesting.*
- (9) Includes 18,623 shares of restricted stock with respect to which Messrs. Dewey, Greer, Stevens and Tyler each have sole voting power but which cannot be transferred prior to vesting.*
- (10) Includes 30,287 shares as to which Mr. Grafton shares voting and investment power with his spouse.*
- (11) Includes 40,339 shares owned by spouse as to which Mr. Host has no voting or investment control, and 85,279 shares of restricted stock with respect to which Mr. Host has sole voting power but which cannot be transferred prior to vesting.*
- (12) Includes 4,720 shares owned by spouse and children as to which Mr. Puckett has no voting or investment control.*
- (13) Includes 8,472 shares as to which Mr. Tyler shares voting and investment power with his spouse, and 500 shares owned by spouse as to which Mr. Tyler has no voting or investment control.*
- (14) Includes shares held directly or indirectly by 25 individuals: the currently-serving directors and NEOs listed herein, as well as Trustmark's other remaining executive officers and the General Counsel/Secretary. Of these, a total of 17,000 are shares the individuals have the right to acquire through the exercise of options, a total of 367,814 are shares of restricted stock with respect to which the individuals have sole voting power but which cannot be transferred prior to vesting and a total of 12,302 are shares pledged as security.*

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act) requires Trustmark's directors, executive officers and persons who own more than 10% of Trustmark's common stock to file reports of their ownership and changes in ownership of Trustmark's common stock. Trustmark prepares these reports for the directors and executive officers who request it on the basis of information obtained from them and Trustmark's records. Based on the information available to Trustmark, Trustmark believes that its directors and executive officers complied with all reporting requirements under Section 16(a) for 2013.

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### **EXECUTIVE COMPENSATION**

#### **Human Resources Committee**

The Human Resources Committee of the Board (the Committee) is responsible for overseeing the development of a program to compensate Trustmark's management in accordance with Trustmark's compensation philosophy and objectives. The Committee is currently comprised of Messrs. McCullough (Chairman), Baker, Grafton and Summerford, all of whom are non-employee directors (within the meaning of Rule 16b-3 of the Exchange Act), outside directors (within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended), independent directors (within the meaning of Rule 5605(a)(2) of the NASDAQ Listing Rules) and otherwise eligible for compensation committee service under the NASDAQ Listing Rules. In addition, no Committee member is a current or former associate of Trustmark or any of its subsidiaries.

The Committee is authorized to retain experts, consultants and other advisors to aid in the discharge of its duties. In accordance with the Committee's charter, the hiring of such advisors is at the Committee's discretion, after considering the advisors' independence.

In the past few years, the Committee has engaged Pearl Meyer & Partners (PM&P) to provide analyses and recommendations to aid the Committee in determining the amount and form of director and executive pay consistent with Trustmark's compensation philosophy and to periodically test Trustmark's pay-for-performance alignment. During 2013, PM&P did not provide any consulting services to Trustmark other than in connection with director and executive pay, and it maintains no other economic relationship with Trustmark.

The Committee has assessed the independence of PM&P pursuant to SEC and NASDAQ rules and has concluded that the advice it receives from PM&P is objective and not influenced by other relationships that could be viewed as conflicts of interest.

#### **Compensation Discussion and Analysis**

The following discussion addresses the compensation determinations relating to Trustmark's NEOs and the rationale for those determinations and should be read in conjunction with the compensation tables for the NEOs beginning on page 20. Although considered officers of Trustmark Corporation under the Exchange Act, the NEOs' compensation, except for equity awards under Trustmark's stock and incentive compensation plans, is paid by the Bank.

***Executive Summary.*** The Committee believes that executive compensation should be linked with Trustmark's performance and significantly aligned with both the long-term and short-term interests of Trustmark's shareholders. The Committee also believes that executive compensation should be designed to allow Trustmark to recruit, retain and motivate employees who play a significant role in the organization's current and future success.

The Committee believes that its executive compensation program is working to achieve these goals, as evidenced by another year of strong financial performance for Trustmark in 2013, particularly in the retail, insurance and wealth management businesses. Key financial and operating results for the year include the following.

Financial Metrics and Ratios:

net income available to common shareholders (NI) of \$117.1 million,  
earnings per share of \$1.75, which is a decrease of 3.3% compared to 2012,  
annual dividend of \$0.92 per share to shareholders,  
return on average tangible common equity (ROATE) of 13.09%,  
return on average assets of 1.02%,  
a \$206.1 million increase in loans held for investment,  
a \$20.2 million decrease in provision for loan losses on loans held for investment, and  
a 20.79% decrease in non-performing loans held for investment.

During 2013 Trustmark completed its acquisition of BancTrust Financial Group, Inc. (BancTrust), the largest acquisition in Trustmark's history. Acquired loan balances increased \$670.6 million during 2013 as a result of the BancTrust acquisition and positioned Trustmark to enter new markets in Alabama and strengthen its position in the Florida panhandle.

For the three years ended December 31, 2013, Trustmark was in the 63rd percentile for ROATE and in the 22nd percentile for total shareholder return among the peer companies from its 2011 performance-based restricted stock awards. While Trustmark's ROATE continued to reflect strong performance relative to its peer group, Trustmark's TSR relative to the peer group was affected by significant stock price appreciation during the three years ended December 31, 2013 by certain of Trustmark's peers. Trustmark's TSR, which includes dividend yields, equaled 21.2% for the three years ended December 31, 2013.

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The most significant decisions made by the Committee and Trustmark with respect to executive compensation for 2013 and thus far in 2014 were the following:

beginning with the awards granted in January 2013, changed the framework of performance-based restricted stock awards to provide for three-year vesting, rather than six-year vesting, in the case of shares earned for greater than 100% performance, to better align pay and performance with the performance period, reinstated a quarterly mortgage department production bonus incentive for Mr. Tyler for competitive reasons,

in anticipation of a challenging 2013, delayed decision on merit increases in base salary for executive management until June 2013 to base determinations on performance closer to mid-year, with increases taking effect July 1, 2013,

increased the annual retirement benefits for Messrs. Greer, Stevens and Tyler under the Executive Deferral Plan (as defined below), to bring this benefit more in line with their positions,

in January 2014, to neutralize personal concerns so they can focus on the interests of Trustmark and its shareholders in the event of a change in control opportunity, entered into change in control agreements with members of executive management (including the NEOs) who did not already have agreements providing change in control benefits,

approved a discretionary 5% reduction to the cash bonus payouts under the annual management incentive plan, in consideration of Trustmark's overall 2013 performance,

adopted stock ownership guidelines for executive management in recognition of best compensation practices,

maintained Trustmark's Luxury Expenditures Policy as good corporate practice even though no longer required by TARP (as defined below), and

included a clawback provision in the performance-based restricted stock awards granted in January 2013 and the annual cash bonuses earned under the management incentive plan for 2013 in recognition of best compensation practices.

***Alignment Between Pay and Performance.*** Trustmark is committed to aligning the compensation of the executive officers with Trustmark's financial and operational performance. The Committee uses annual cash bonuses and performance-based equity compensation awards to link executive pay with Trustmark's performance. Annual cash bonuses, which are earned under the annual management incentive plan and in recent years have represented approximately 32% of each NEO's total annual compensation, are earned based on Trustmark's achievement of key corporate, strategic and line of business performance goals, as applicable, from Trustmark's annual profit plan. A minimum achievement of 80% of the budgeted goals is required to earn the minimum annual cash bonus, and Trustmark performance that exceeds the budgeted goals results in higher bonus awards for the year. Performance-based equity compensation awards, grants of which in 2013 represented approximately 24% (for the CEO) and 13% (for the other NEOs) of each NEO's total annual compensation, are earned based on Trustmark's achievement of ROATE and total shareholder return (TSR) compared to Trustmark's peer group over a three-year performance period, with vesting up to 200% in the event of performance at or above the 75th percentile of the peer group.

In the case of Mr. Tyler, in 2013 Trustmark also reinstated a quarterly production bonus incentive based on the mortgage department's production. Mr. Tyler's production bonus is calculated based on a percentage of total mortgage production above a threshold production level, which links his quarterly compensation to Trustmark's mortgage department performance.

The Committee believes that Trustmark's solid financial performance in the past three years, demonstrates that the executive compensation programs are working as intended to promote both long term and short term success of Trustmark. Average payouts of annual cash bonuses under the management incentive plan of 146% of the target amount for each of the NEOs for the past three years relates directly to Trustmark's achievement with respect to corporate and line of business budget targets for those years. Vesting of the performance-based equity compensation awards of 77%, 120% and 190% for the three years ended December 31, 2013, 2012 and 2011, respectively, reflects how the amount of this incentive compensation earned changes based on Trustmark's performance compared to its peer companies. While Trustmark's ROATE continued to reflect strong performance relative to its peer group over the three years ended December 31, 2013, Trustmark's TSR relative to the peer group was affected by significant stock price appreciation during the three years ended December 31, 2013 by certain of Trustmark's peers, resulting in overall lower vesting of the performance-based equity compensation awards for 2013. As a result, the Committee believes that Trustmark's executive compensation is appropriately aligned with the level of corporate performance directly and in comparison to Trustmark's peer companies.

***2013 Say on Pay Vote.*** In 2013, Trustmark asked its shareholders, through an advisory vote, to approve the compensation of the named executive officers as described in the proxy statement for the 2013 Annual Meeting of Shareholders. The advisory vote received overwhelming support from shareholders, receiving approval of over 98% of the votes cast on the proposal. The Committee considered the results of this advisory vote on Trustmark's executive compensation by Trustmark's shareholders, and in light of such strong support, during the remainder of 2013 and in 2014 has continued to apply the same compensation philosophy and practices that were described in the 2013 proxy statement

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in determining amounts and types of executive compensation. The Committee believes that the strong shareholder support for approval of the executive compensation as described in the 2013 proxy statement is evidence that Trustmark's executive compensation program is appropriately tailored to Trustmark's business strategies, appropriately aligns pay with performance and reflects industry best practices regarding executive compensation.

***Board and Committee Process.*** The Committee reviews and recommends to the Board compensation levels for the CEO and CFO and reviews and recommends to the Bank Board compensation levels for the Bank's executive management, based on Trustmark's performance, individual performance and experience, as well as peer and broader financial services industry comparisons (referred to as market data) and company affordability analysis. The Committee initiates, develops and recommends for approval by the Board the cash and equity compensation of the CEO, based on the Committee's evaluation of the CEO's performance relative to annual corporate goals and objectives and in conjunction with comparative market data provided by PM&P and internal data provided by human resources personnel. For cash compensation of the other NEOs, the CEO and Director of Human Resources make recommendations to the Committee, which are considered for approval by the Committee and then recommended to the Board in the case of the CFO and the Bank Board in the case of the other NEOs for its review and approval. With respect to equity compensation awarded to other NEOs and associates, the Committee reviews and recommends stock-based awards for approval by the Board. The Committee has delegated authority to the CEO to grant limited equity awards to senior level officers, which are reviewed by the Committee. The Committee also administers Trustmark's equity-based compensation plans, deferred compensation plans and other benefit plans.

The CEO and the Director of Human Resources work with the Chairman of the Committee to establish the agenda for Committee meetings and interface with the Committee in connection with the Committee's executive compensation decision-making, providing comparative market data as well as making recommendations. The Committee periodically meets with the CEO and the Director of Human Resources to assess progress toward meeting objectives set by the Board for both annual and long-term compensation. The Committee also meets in executive session without management present when appropriate.

The Committee believes that the total compensation opportunity available to members of management should consist of base salary, annual cash bonuses, equity-based compensation, retirement benefits and perquisites, each of which is a standard compensation component for NEOs at Trustmark's peer companies. The Committee reviews all of these components in making determinations on the mix, amount and form of executive compensation. In making compensation decisions, the Committee seeks to promote teamwork among, and high morale within, our senior management team, including the NEOs. While the Committee does not use any quantitative formula or multiple for comparing or establishing compensation for the senior management team, it is mindful of internal pay equity considerations, and assesses the relationship of the compensation of each executive to other members of the senior management team.

The Committee, in consultation with management and PM&P, continues to evaluate the executive compensation program and will recommend changes when it believes appropriate in light of evolving company needs and industry best practices. The Committee's decisions regarding the vesting of the performance-based restricted stock, reinstatement of a quarterly mortgage department production bonus incentive for Mr. Tyler, and adjustments to the annual retirement benefits under the Executive Deferral Plan, as described below, illustrate this ongoing process. All determinations regarding the amount or form of executive compensation are made by the Committee, approved by the Board or Bank Board, as appropriate, and reflect factors and considerations in addition to the information and advice provided by any single source.

***Guiding Philosophy.*** The Committee's guiding philosophy is to attract and retain highly qualified executives and to motivate them to maximize shareholder value while limiting risk appropriately and maintaining the safety and

soundness of the organization. The following objectives serve as guiding principles for all compensation decisions:

rewarding performance,  
providing competitive total compensation that will enable Trustmark to attract, retain and motivate highly qualified executives,  
promoting teamwork among, and high morale within, the senior management team, including the NEOs,  
aligning compensation opportunities with shareholder interests by making a portion of each NEO's compensation dependent on Trustmark's performance,  
maintaining the safety and soundness of the organization while limiting risk, through appropriate compensation,  
using base salary to reward higher levels of experience and performance that contribute to the achievement of planned financial objectives,  
providing a strong emphasis on equity-based compensation and equity ownership, creating a direct link between shareholder and management interests,  
preferring that incentive compensation paid to NEOs will generally be deductible for federal income tax purposes, and  
ensuring that policies and practices are in place to develop management talent, establish effective corporate governance and set management compensation at competitive levels.

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***Role of the Compensation Consultant.*** The Committee engaged PM&P to provide information, analyses and advice to aid in the determination of competitive executive pay consistent with Trustmark's compensation philosophy. PM&P's services for the Committee during 2012 and a portion of 2013 for compensation to be paid in 2013 included:

evaluating the competitiveness of the base salaries, annual incentive and long-term incentive compensation for Trustmark's executive management relative to Trustmark's peer group and the broader financial services industry, assessing the alignment of Trustmark's executive pay to company performance and making recommendations for managing executive compensation in 2013 and 2014,

evaluating the effectiveness of Trustmark's use of equity-based long-term incentive awards to reinforce the business strategy, ensure alignment of pay and performance and provide a competitive pay opportunity and making recommendations for changes in 2013 consistent with emerging best practices while limiting compensation-related risk,

evaluating the competitiveness of Trustmark's compensation program for non-employee directors and making recommendations for changes to ensure Trustmark's ability to continue to attract and retain outside directors with the necessary skills and experience,

providing recommendations regarding executive compensation in 2013, including consideration of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and related pending rulemaking and requirements of the joint final guidance regarding incentive compensation arrangements issued by federal banking regulators,

providing recommendations for Trustmark's peer group for 2013, and

reviewing drafts of this Compensation Discussion and Analysis.

PM&P made a comprehensive presentation on Trustmark's annual incentive and long-term incentive compensation practices at the September 2012 Committee meeting to plan for executive compensation to be paid in 2013 and participated by phone at the request of the Committee in several Committee meetings during 2012 and 2013.

***Benchmarking.*** The Committee believes that pay practices at other companies provide useful reference information when establishing compensation for Trustmark's executives. Therefore, among other factors, the Committee considers executive compensation information provided by PM&P that is derived from two primary data sources: peer group data and market data from the banking and financial services industry, when determining the amount and form of compensation for executives.

***Peer Group Data.*** The peer group data is gathered by PM&P from the proxy statements of a peer group of financial institutions in the United States. The peer group consists of a minimum of 15 financial institutions and is updated annually by the Committee, based on a process that includes recommendations from internal sources, including the Director of Human Resources, and external sources such as PM&P, to reflect the companies against which Trustmark competes for executive talent or for shareholder investment. The specific characteristics of the financial institutions comprising the peer group vary from year to year, but the companies are chosen based on having similar asset size to Trustmark, offering similar banking functions and having similar organizational structure. All 23 companies comprising the peer group for the Committee's 2013 executive compensation determinations were the same as used by the Committee for its 2012 determinations. The 23 peer companies all had assets within approximately 60% to 220% the size of Trustmark, which is considered an appropriate range for comparison purposes. The specific asset sizes for the peer companies listed in the report presented to the Committee in January 2013 ranged from approximately \$6.2 billion to \$21.8 billion, and the market capitalizations ranged from approximately \$484.0 million to \$3.5 billion. Trustmark's market capitalization was at the median for this peer group and its asset size was below the median but expected to be at the median when Trustmark's merger with BancTrust closed in the first quarter of 2013.





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For 2013, Trustmark's peer group consisted of the following companies:

<b>Company Name</b>	<b>Ticker</b>	<b>Company Name</b>	<b>Ticker</b>	<b>Company Name</b>	<b>Ticker</b>
BancorpSouth, Inc.	BXS	Fulton Financial Corporation	FULT	Susquehanna Bancshares, Inc.	SUSQ
Bank of Hawaii Corporation	BOH	Glacier Bancorp, Inc.	GBCI	UMB Financial Corporation	UMBF
Commerce Bancshares, Inc.	CBSH	Hancock Holding Company	HBHC	Umpqua Holdings Corporation	UMPQ
Cullen/Frost Bankers, Inc.	CFR	IBERIABANK Corporation	IBKC	United Bankshares, Inc.	UBSI
First Financial Bancorp.	FFBC	MB Financial, Inc.	MBFI	United Community Banks, Inc.	UCBI
First Midwest Bancorp, Inc.	FMBI	Old National Bancorp	ONB	Valley National Bancorp	VLY
FirstMerit Corporation	FMER	Park National Corporation	PRK	Webster Financial Corporation	WBS
F. N. B. Corporation	FNB	Prosperity Bancshares, Inc.	PB		

**Market Data.** The market data used by the Committee consists of survey data of executive compensation for financial services companies that focus on the commercial banking industry, with an orientation toward regional bank holding companies with a total asset size comparable to Trustmark. This market data is compiled by PM&P from various published and private compensation surveys, and when available for a particular job responsibility, proxy statements of the peer group financial institutions, and provides information from a broad cross-section of financial services companies.

**Use of Compensation Data.** The Committee uses the peer group data primarily to establish performance goals for long-term incentive awards and evaluate its pay for performance alignment. The Committee uses the market data primarily to assist with assessing Trustmark's compensation competitiveness. The Committee is of the general view that, to attract, retain and motivate highly qualified executives, its executive compensation should be in the median range of compensation levels for management of similar-sized financial institutions with Trustmark's level of corporate performance. Therefore, in making its 2013 compensation recommendations, the Committee considered market data comparisons prepared by PM&P, including an analysis of the 25th, 50th (median) and 75th percentile of the compensation paid by these companies for base salary, annual cash incentive, long-term equity incentives and the total of these elements as a point of reference for each NEO.

Recognizing that comparative pay assessments have inherent limitations, due to the lack of precise comparability of executive positions between companies, as well as the companies themselves, the comparative data are used only as a guide and the Committee does not fix any NEO's compensation (or individual compensation elements) to a particular compensation level within this comparative data. In exercising its judgment, the Committee looks beyond the comparative data and also considers individual job responsibilities, individual performance, experience, compensation history (both at Trustmark and at prior employers in the case of new hires), company performance and company goals.

Based on a review of the 2012 market data comparison information, Trustmark's total executive compensation was at the median market level, while Trustmark's business performance was at or slightly above the median level, with the NEOs' base salaries and long-term equity incentives comprising the primary reason for the below-median

compensation.

**Compensation Mix.** The Committee does not target a specific allocation among the various compensation components. The approximate percentages of salary, bonus and equity-based (using grant date fair value) compensation compared to the total of such compensation (referred to as total annual compensation) for 2013 for the NEOs were as follows:

<b>Name</b>	<b>Base Salary %</b>	<b>Cash Bonus %</b>	<b>Equity Award %</b>
Gerard R. Host	34%	34%	32%
Louis E. Greer	50%	33%	17%
Duane A. Dewey	53%	28%	19%
Wayne A. Stevens	48%	34%	18%
Breck W. Tyler	37%	49%	14%

As a result of a change implemented in 2013, the compensation package of Mr. Tyler, President-Mortgage Services, differs from the other NEOs. In addition to the annual cash bonus opportunity under the management incentive plan, Mr. Tyler also receives a quarterly production bonus based on the mortgage department's production, which accounted for approximately 24% of his total annual compensation in 2013. Mr. Tyler's cash bonus % shown above reflects both his annual bonus under the management incentive plan and the quarterly mortgage department production bonuses he earned in 2013. In allocating compensation among salary, bonus and equity-based compensation, the Committee believes that the compensation of the senior-most levels of management with the greatest ability to influence Trustmark's performance should be significantly performance-based, while lower levels of management should receive a greater portion of their compensation in base salary. The Committee also makes allocations between long-term and short-term compensation for NEOs.

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The Committee believes long-term equity awards are effective in aligning management's interests with shareholder interests to increase overall long-term shareholder value, rewarding NEOs for implementing long-term initiatives that take more than one fiscal year to accomplish, and promoting stability and continuity among the NEOs. However, a portion of the NEOs' annual compensation is also linked to Trustmark's short-term performance to motivate and reward executives to achieve annual profit plan objectives and to attract and retain talented executives. In making these decisions, the Committee considers the comparative market data and the recommendations of the CEO, among other things. Consistent with its executive compensation philosophy and goals, in 2013, the Committee provided that for the senior-most levels of management 100% of short-term cash incentive payments and 67% of long-term equity-based awards would be determined by performance achievement.

**Base Salaries.** Trustmark's goal is to provide its executive management with fixed cash compensation in the form of base salary that will attract and retain highly qualified executives. Trustmark also uses base salary to reward top performance, industry and job specific knowledge, experience and leadership ability. The base salaries for Trustmark's NEOs are typically established in the first quarter of the year after Trustmark's financial information and performance results from the previous year are available, although mid-year adjustments are made occasionally to reflect changes in responsibility or other developments. In establishing the CEO's base salary, the Committee typically considers PM&P's recommendations based on an analysis of peer group data and market data and also considers internal data provided by human resources personnel and the CEO's individual performance and contributions relative to Trustmark's corporate goals. In establishing base salaries of Trustmark's other NEOs, the Committee typically considers the recommendations of the CEO, which are based on individual responsibility level, individual and company performance, total compensation histories for each NEO, the market data provided by PM&P for similar positions and a general understanding of executive compensation in the financial services industry. The CEO evaluates the other NEOs' performance using the same metrics normally used for determining annual incentive plan awards. The Committee considers each of these factors but does not assign a specific value to any of them. The Committee's process also involves a subjective component in evaluating each NEO's overall span of responsibility and control, knowledge and leadership ability.

Following more significant increases in base salary for Mr. Dewey in 2011 in recognition of his increased responsibilities, and for Messrs. Host and Greer in 2012 to recognize Mr. Host's successes as CEO and bring his salary closer to the market median level and Mr. Greer in recognition of his increased responsibilities and to bring his salary closer to the market median level, in anticipation of a challenging 2013, the Committee delayed determination of merit base salary increases for executive management until June 2013 so that the determinations could be based on performance closer to the mid-year point. After reviewing Trustmark's performance for 2012 and the first part of 2013, the Committee recommended and in June the Corporate Board and Bank Board, as appropriate, approved routine base salary increases for Messrs. Host, Greer and Dewey, with the increases taking effect July 1, 2013. In light of an expansion of Mr. Stevens' responsibilities in connection with the BancTrust acquisition, Mr. Stevens received a slightly larger merit increase. In light of the reinstatement in 2013 of a quarterly mortgage department production bonus incentive for Mr. Tyler for competitive reasons, the Committee determined not to increase Mr. Tyler's base salary in 2013.

The base salaries as of December 31, 2012 and those approved for 2013, effective July 1, 2013, were as follows:

Name	2013	2012	% Change
	Base Salaries	Base Salaries	(%)

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	(\$)	(\$)	
Gerard R. Host	\$ 714,000	\$ 700,000	2.0%
Louis E. Greer	\$ 352,500	\$ 345,500	2.0%
Duane A.			
Dewey	\$ 342,000	\$ 335,000	2.1%
Wayne A.			
Stevens	\$ 327,000	\$ 315,000	3.8%
Breck W. Tyler	\$ 306,000	\$ 306,000	---

**Cash Bonuses.** The Committee typically awards cash bonuses utilizing a structured, objective approach based upon the achievement of performance objectives set forth in an incentive plan. Cash bonuses constitute the largest cash component tied specifically to company performance. Cash bonuses under the annual management incentive plan are designed to reward achievement of Trustmark's corporate goals and objectives, and, where applicable, line of business goals and objectives. The quarterly cash bonus under Mr. Tyler's mortgage department production bonus incentive is designed to reward achievement of Trustmark's goals with respect to mortgage loan production above a certain threshold level, consistent with the Bank's mortgage origination guidelines.

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[Annual Management Incentive Plan](#). Key features of the annual management incentive plan, each as may be adjusted by the Committee, include:

- a primary emphasis on corporate/financial performance, as measured by net income available to common shareholders for the company (NI) and ROATE, and
- a quantitative assessment of strategic achievements in areas of management including revenue, non-interest expense and credit quality at the corporate level or line of business level, as appropriate, and net income at the line of business level.

At the beginning of each year, Trustmark develops a bonus matrix for the management incentive plan. The performance goals are keyed to various goals in Trustmark's profit plan for the year, and the performance results at or slightly above the target levels are intended to be achievable, but challenging. In developing the bonus matrix, the CEO recommends to the Committee overall incentive target payout levels for each NEO, stated as a percentage of base salary. The CEO also recommends performance measures from Trustmark's annual profit plan, such as NI, ROATE, credit quality measures and non-interest expense, each as may be adjusted by the Committee, and the weightings to be assigned to the performance measures for each NEO. The Committee reviews the CEO's recommendations along with market data to ensure that proposed target payout levels provide an appropriate opportunity to earn bonuses and are competitive with the companies in Trustmark's peer group. In addition, the Committee reviews the recommended performance measures and weightings, as well as the threshold and maximum performance ranges, and makes a recommendation to the Board for approval. In making its recommendation, the Committee may consider events outside the influence or control of the NEOs, and may adjust the performance goals to exclude the effect of these events. The Committee did not include any such adjustments when recommending the performance goals for 2013. After the target levels and performance goals and weightings have been approved by the Board, the Committee retains the discretion to adjust the target levels and performance goals and weightings during or after the year, on an individual or group basis, if the Committee determines additional adjustments are appropriate for this purpose. The Committee did not make any such adjustments for 2013. Following the end of a year, the Committee also has discretion to increase or decrease the amount of an award earned under the plan, change the individual weightings or adjust the threshold payout level and minimum performance goals, including when the minimum performance goals are not achieved.

In 2011, the Committee engaged PM&P to evaluate the competitiveness of the opportunity provided by Trustmark's management incentive plan and make recommendations to improve the plan's pay for performance alignment and risk mitigation features, consistent with current best practices, emerging regulatory guidance and Trustmark's compensation philosophy and strategic objectives, including an analysis of payouts under the plan as a percentage of NI relative to Trustmark's peer companies. Based on recommendations of PM&P, the Committee recommended and the Corporate and Bank Boards approved the following adjustments to the management incentive plan for 2012:

- using net income instead of earnings per share as a primary corporate goal, to avoid duplication of overlapping measures and to focus on measures for which executives have direct accountability,
- revising the corporate strategic operational drivers (to revenue, non-interest expense and provision for loan losses), to eliminate overlap of goals and ensure a weighting of at least 10% for each goal to focus management attention on fewer, higher-level goals,
- adding line of business performance goals for revenue, non-interest expense and provision for loan losses, to reduce incentive risks and better reflect total performance of the business unit,

adjusting the weightings for the corporate NEOs to 70% based on corporate performance goals and 30% based on strategic operational drivers (from 75%/25%) and for the line of business NEOs to 30% based on corporate performance goals and 70% based on line of business goals (from 50%/50% and 40%/60%), to create more consistency in approach among NEOs with comparable responsibilities, establishing a wider performance range for certain goals from a threshold and maximum of 85% and 115% to a threshold and maximum of 80% and 120%, to reflect the uncertainty of achieving the goals and provide more variability in pay for changes in performance while requiring higher performance to reach the maximum payout level, and establishing a wider range of potential payouts from a threshold and maximum of 70% and 150% (of target payout level) to a threshold and maximum of 50% and 200% (of target payout level), to make the incentive payouts more variable relative to performance.

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After implementing significant changes to the management incentive plan design in 2012, the Committee did not recommend any further changes to the management incentive plan design for 2013. The following table shows the threshold, target and potential maximum bonus payout levels established for each NEO under the management incentive plan, expressed as a percentage of base salary, for 2013:

	<b>Below Threshold</b>	<b>Threshold Bonus</b>	<b>Target Bonus</b>	<b>Potential Maximum</b>
<b>Name</b>	<b>Bonus Payout Level</b>	<b>Payout Level</b>	<b>Payout Level</b>	<b>Bonus Payout Level</b>
	<b>(as percentage of salary) (1)</b>	<b>(as percentage of salary)</b>	<b>(as percentage of salary)</b>	<b>(as percentage of salary)</b>
Gerard R. Host	---	35.0%	70%	140%
Louis E. Greer	---	22.5%	45%	90%
Duane A. Dewey	---	22.5%	45%	90%
Wayne A. Stevens	---	22.5%	45%	90%
Breck W. Tyler	---	20.0%	40%	80%

*(1) If performance is below the threshold level for each of an NEO's goals under the management incentive plan, no bonus is earned under the plan absent exercise of discretion by the Committee.*

Mr. Host's overall target bonus payout level is established in his employment agreement. For the other NEOs, the 2013 target bonus payout levels were consistent with the 2012 levels. For 2013, overall incentive targets for NEOs were allocated among corporate performance goals, strategic operational drivers and, for NEOs working in specific lines of business, line of business goals. The corporate performance goals related to NI and ROATE, the strategic operational drivers related to revenue, efficiency (in the form of non-interest expense) and credit quality (in the form of provision for loan losses), and the line of business goals related to these same measures as applied to the specific line of business.

The following table shows the weightings of these goals for each NEO for 2013, which are the same as used in 2012 to create consistency in approach among NEOs with comparable responsibilities:

<b>Name</b>	<b>Corporate</b>	<b>Strategic</b>	<b>Line of Business</b>
	<b>Performance</b>	<b>Operational</b>	
	<b>Goals</b>	<b>Drivers</b>	<b>Goals</b>
Gerard R. Host	70%	30%	---



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Louis E. Greer	70%	30%	---
Duane A. Dewey	30%	---	70%
Wayne A. Stevens	30%	---	70%
Breck W. Tyler	30%	---	70%

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For 2013 the threshold and maximum performance levels were the same as used in 2012 to reflect the uncertainty of achieving the goals and provide variability in pay for changes in performance while also requiring high performance to reach the maximum payout level. Accordingly, for the 2013 bonus matrix, the Committee recommended and the Board approved the following threshold and maximum performance levels for the NEOs:

<b>Performance Goal</b>	<b>Threshold</b>	<b>Maximum</b>
	<b>Performance Level</b>	<b>Performance Level</b>
	<b>(as percentage of performance goal)</b>	<b>(as percentage of performance goal)</b>
<i>Corporate Performance Goals:</i>		
Net income	80%	120%
ROATE	80%	120%
<i>Corporate/Strategic Operational Drivers:</i>		
Total revenue (net interest income + non-interest income)	80%	120%
Non-interest expense	120%	80%
Provision for loan losses	120%	80%
<i>Line of Business Goals:</i>		
Total revenue	80%	120%
Non-interest expense	120%	80%
Provision for loan losses	120%	80%
Net income	80%	120%

Depending on performance achievement against the stated goals, the payout percentage, if any, for 2013 could range from a level of 50% of the target bonus payout (for threshold performance achievement) to a level of 100% (for target performance achievement) to a level of 200% (for maximum performance achievement). If performance is below the threshold level for each of an NEO's goals under the management incentive plan, no bonus is earned under the plan absent exercise of discretion by the Committee.

In early 2014, the Committee reviewed Trustmark's performance compared to the performance goals established under the management incentive plan for 2013.

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The following table shows the relevant performance goals established for 2013 under the management incentive plan and the extent to which such goals were achieved:

Performance Goals (\$ in millions)	2013 Profit Plan Targets	2013 Results as Approved by the Committee	Percentage of Profit Plan Achieved	Percentage of Payout Achieved
<b>Corporate Goals (all NEOs):</b>				
Net income	\$ 103.42	\$ 117.06	113.18%	166%
ROATE	11.56%	13.09%	113.24%	166%
<b>Corporate Strategic/Operational Drivers</b>				
<b>(Host and Greer only):</b>				
Total revenue (net interest income + non-interest income)	\$ 540.43	\$ 561.86	103.97%	120%
Non-interest expense	\$ 384.74	\$ 415.73	92.54%	80%
Provision for loan losses	\$ 13.42	\$ (7.38)	181.75%	200%
<b>Line of Business Goals (Dewey, Stevens and Tyler only):</b>				
<i>Corporate Banking, Wealth Management</i>				
<i>and Insurance (Dewey) --</i>				
Total revenue	\$ 94.88	\$ 98.54	103.86%	119%
Non-interest expense	\$ 53.03	\$ 58.87	90.07%	72%
Provision for loan losses	\$ 0.75	\$ 0.05	1,619.57%	200%
Net income	\$ 27.25	\$ 26.23	96.26%	91%
<i>Retail Banking (Stevens) --</i>				
Total revenue	\$ 299.24	\$ 325.11	108.64%	143%
Non-interest expense	\$ 195.82	\$ 203.96	96.01%	90%
Provision for loan losses	\$ 6.60	\$ 5.87	112.47%	155%
Net income	\$ 64.84	\$ 77.20	119.06%	195%
<i>Mortgage Services (Tyler) --</i>				
Total revenue	\$ 43.68	\$ 58.47	133.88%	200%
Non-interest expense	\$ 28.28	\$ 29.79	94.91%	87%
Provision for loan losses	\$ 2.62	\$ 0.21	1,223.83%	200%
Net income	\$ 8.56	\$ 19.07	222.74%	200%

Trustmark's solid performance in 2013 resulted in average payouts for the NEOs of 149% of the target level prior to the exercise of any discretion by the Committee. The Committee determined the bonus payments by applying the

relevant weighting to the achievement of the applicable performance goals for each NEO. In addition, as noted earlier, the Committee has discretion to adjust the amount of an award earned under the plan, including discretion to increase cash bonus payouts when the Committee feels an individual's performance warrants an increase. In consideration of Trustmark's overall 2013 performance, based on the recommendation of the CEO, the Committee approved a discretionary 5% reduction to each cash bonus payout under the plan. The bonus amounts for the CEO and CFO were approved by the Committee and by the Board in February 2014, and the bonus amounts for the other NEOs were approved by the Committee in February 2014 and by the Bank Board in March 2014. Trustmark paid the following annual cash bonuses for 2013 performance under the management incentive plan:

Name	2013 Performance		Discretionary	Total 2013	Total Annual Cash
	Payout Achieved		Reduction of	Total 2013	Bonus Paid as
	(%)	(\$)	2013 Annual	Annual Cash	Percentage of
			Cash Bonus	Bonus Paid (1)	Base Salary (2)
	(%)	(\$)	(\$)	(\$)	(%)
Gerard R. Host	156%	\$ 765,240	\$ (38,262)	\$ 726,978	104%
Louis E. Greer	156%	\$ 242,783	\$ (12,139)	\$ 230,644	67%
Duane A. Dewey	125%	\$ 188,806	\$ (9,440)	\$ 179,366	54%
Wayne A. Stevens	167%	\$ 236,376	\$ (11,819)	\$ 224,557	71%
Breck W. Tyler	178%	\$ 218,453	\$ (10,923)	\$ 207,530	68%

(1) Trustmark paid these awards on March 14, 2014.

(2) Calculated using base salary as of March 1, 2013.

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These 2013 annual cash bonus amounts are presented as Non-Equity Incentive Plan Compensation for 2013 in the Summary Compensation Table on page 34.

***Quarterly Mortgage Production Bonus.*** In addition to the annual cash bonus under the management incentive plan, Mr. Tyler also receives a quarterly production bonus based on the mortgage department's production. Mr. Tyler's quarterly production bonus is based on a percentage of total mortgage production above a threshold production level each quarter for mortgages that conform to the Bank's origination guidelines, subject to an annual cap. The specific formula is not publicly disclosed for competitive reasons. Trustmark had previously provided a quarterly mortgage department production bonus to Mr. Tyler, but discontinued the quarterly incentive in 2010 in an effort to make his compensation mix more comparable to that of the other NEOs. In recognition that a quarterly production bonus is very common for executives in mortgage banking and in an effort to remain competitive with Trustmark's peer companies, in April 2013, the Committee recommended and the Bank Board approved the reinstatement of a quarterly mortgage department production bonus for Mr. Tyler. Mr. Tyler's quarterly mortgage department production bonus is presented as Non-Equity Incentive Plan Compensation for 2013 in the Summary Compensation Table on page 34.

***Equity-Based Compensation.*** Trustmark strongly believes that long-term equity-based awards are an integral part of total compensation for NEOs and certain key managers with significant responsibility for Trustmark's long-term results. Equity-based awards generally constitute the largest non-cash component of each NEO's total compensation package. To promote teamwork among the senior management team, all members of executive management (other than the CEO) receive the same size annual equity-based award. Equity-based awards and the related performance goals for NEOs under the Trustmark Corporation 2005 Stock and Incentive Compensation Plan (2005 Incentive Plan) are recommended by the Committee and approved by the Board generally at its first meeting of each year. Awards are typically made as early as practicable in the year to maximize the time-period for achieving performance goals associated with the awards. The Committee's meeting schedule is determined several months in advance, so the proximity of any grant of awards to earnings announcements or other market events is coincidental.

The 2005 Incentive Plan:

authorizes the granting of restricted stock, restricted stock units (RSUs), performance units, stock options, stock appreciation rights (SARs) and other incentive awards (payable in cash or shares), all of which may be made subject to the attainment of performance goals established by the Committee, provides for the ability to base an individual's performance goals on specified corporate and line of business criteria, and

limits the maximum amount of restricted stock, stock options, SARs and other incentive awards that can be granted to a participant in any given year.

Trustmark's primary form of equity-based compensation is restricted stock awards. Since 2008, Trustmark has awarded a combination of performance-based restricted stock (67%) and time-based restricted stock (33%) to ensure alignment of executives' interests with those of shareholders and to align the components of Trustmark's equity-based compensation with that of its peers and to accomplish Trustmark's equity award objectives, including executive officer retention and attraction. The Committee believes that performance-based restricted stock provides an effective means of delivering incentive compensation, a reward for achievement of long-term objectives and an effective means of executive retention, with normal vesting not occurring for three years. The Committee also believes that use of time-based restricted stock grants, which vest in three years, provides a balanced retention element against the negative impact of economic issues outside the control of management on the ultimate earning of performance-based awards.

After considering the observation from PM&P that three-year vesting is more common than six-year vesting in the case of performance-based awards, the Committee recommended and the Corporate Board approved a change to the performance-based restricted stock awards granted in January 2013. The 2013 performance-based awards are based on the same performance-vesting criteria as the 2012 awards, with potential vesting up to the same 200% over a three-year performance period, but in the case of vesting at a greater than 100% level, unrestricted achievement shares will be issued following the performance period instead of restricted excess shares that vest only after an additional three years of service.

In 2013 the CEO received an award value of approximately 75% of his 2013 base salary, consistent with the Committee's approach since 2010 for Mr. Host. The Committee determined the award value of restricted stock granted in 2013 would be approximately the same as in 2012 for the other NEOs. This award value has remained relatively unchanged since 2007. In establishing award levels, the Committee generally does not consider the equity ownership levels of the recipients or prior awards that are fully vested.

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For the performance-based restricted stock awards to be earned, certain performance goals must be achieved within the three-year performance period covered by the awards. The executive must also remain employed by Trustmark through the end of the performance period for restricted stock to vest fully. The performance goals are scaled so that the recipient can receive a partial award in the event that acceptable, but not the target, results are achieved and so that performance above the target level yields higher awards.

The performance-based restricted stock awards granted in 2013 vest based on the achievement of target percentages related to ROATE (50%), with vesting up to and including 100%, and TSR (50%), with vesting up to and including 100%, compared to Trustmark's peer group. For each of ROATE and TSR, the threshold performance level is reached at the 30th percentile compared to the peer group, with 50% vesting occurring at the 50th percentile and 100% vesting occurring at the 75th percentile. The performance period began January 1, 2013, and continues through December 31, 2015. If a greater than 100% vesting level with respect to the ROATE and TSR targets is achieved in the aggregate (with the maximum being 200%) for an executive who remains employed for the entire performance period, an additional award of unrestricted stock (achievement shares) will be issued. The number of achievement shares issued will equal the number of shares awarded initially to that executive multiplied by the vesting percentage exceeding 100%. Any earned achievement shares will be issued during the first 2 1/2 months of 2016 and will be 100% vested on their issue date.

In the event of an executive's death, disability, retirement at or after age 65 with consent of the Committee and where cause for termination is not present, termination by Trustmark without cause, termination by the executive for good reason (if provided in the executive's employment agreement) or a change in control, partial time-weighted performance vesting occurs based on ROATE and TSR through the end of the calendar quarter prior to such event. These events may also trigger accelerated vesting of achievement shares. Dividends on any performance-based restricted stock are accumulated and will vest and be paid only when and to the extent the shares to which they relate vest, subject to a six-month delay when required by Section 409A of the Internal Revenue Code. No interest is paid on the accumulated dividends.

The time-based awards granted in 2013 vest 100% at January 22, 2016, if the executive remains employed through such date. Accelerated vesting may occur based on the executive's death, disability, retirement at or after age 65 with consent of the Committee and where cause for termination is not present, termination by Trustmark without cause, termination by the executive for good reason (if provided in the executive's employment agreement) or a change in control. Dividends on any time-based restricted stock are accumulated and will vest and be paid only when and to the extent the shares to which they relate vest, subject to a six-month delay when required by Section 409A.

The following table reflects the grant date fair values of the performance-based restricted stock awards and potential achievement shares and time-based restricted stock awards granted to the NEOs in 2013:

	<b>Value of</b>	<b>Value of</b>	<b>Value of</b>	
	<b>Performance-Based</b>	<b>Achievement</b>	<b>Time-Based</b>	
	<b>Shares</b>	<b>Shares (1)</b>	<b>Shares</b>	<b>Total</b>
<b>Name</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Gerard R. Host	\$ 344,422	\$ 149,508	\$ 173,686	\$ 667,616

Louis E. Greer	\$ 61,992	\$ 26,910	\$ 31,265	\$ 120,167
Duane A. Dewey	\$ 61,992	\$ 26,910	\$ 31,265	\$ 120,167
Wayne A. Stevens	\$ 61,992	\$ 26,910	\$ 31,265	\$ 120,167
Breck W. Tyler	\$ 61,992	\$ 26,910	\$ 31,265	\$ 120,167

(1) Reflects the anticipated attainment of achievement shares; achievement shares will only be issued if, and only to the extent, the performance shares aggregate ROATE and TSR vesting percentage exceeds 100%.

The following table reflects the values realized by the NEOs on vesting of performance-based restricted stock awards, excess share awards, and time-based restricted stock awards that vested in 2013 from grants made in prior years. See the Option Exercises and Stock Vested for 2013 table on page 38 for more information.

Name	Value of	Value of	Value of	Total
	Performance-Based	Value of Excess	Time-Based	
	Shares Vested (1)	Shares Vested (2)	Shares Vested (3)	
	(\$)	(\$)	(\$)	(\$)
Gerard R. Host	\$ 232,396	\$ 243,676	\$ 110,058	\$ 586,130
Louis E. Greer	\$ 64,781	\$ 81,225	\$ 30,684	\$ 176,690
Duane A. Dewey	\$ 64,781	\$ 81,225	\$ 30,684	\$ 176,690
Wayne A. Stevens	\$ 64,781	\$ 33,841	\$ 30,684	\$ 129,306
Breck W. Tyler	\$ 64,781	\$ 81,225	\$ 30,684	\$ 176,690

(1) Reflects 120% vesting of performance-based shares granted in 2010, based on Trustmark's 3-year ROATE and TSR

performance against its peer companies.

(2) Reflects vesting of time-based excess shares issued in 2011 in connection with 200% vesting of performance-based shares

granted in 2008, based on Trustmark's 3-year ROATE and TSR performance against its peer companies.

(3) Reflects vesting of time-based shares granted in 2010.



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***Retirement Benefits.*** Trustmark maintains several plans providing retirement benefits in which the NEOs and certain other associates participate, as described below.

***Trustmark Capital Accumulation Plan.*** Trustmark maintains a non-contributory defined benefit plan (Trustmark Capital Accumulation Plan) that provides a pension equity benefit for substantially all associates, including NEOs, who were employed prior to January 1, 2007. Retirement benefits under the plan's pension equity benefit formula are based on the length of credited service and final average compensation, as defined in the plan, through May 15, 2009, and vest upon three years of service. The pension equity benefit is paid after cessation of employment (unless the participant decides to delay payment to the normal retirement age of 65) as a lump sum or as a life annuity based on the plan's actuarial conversion factors, as selected by the participant.

Benefits payable under the plan are based on a pension equity formula that takes into account the participant's compensation through May 15, 2009, averaged over the highest consecutive five-year period out of the most recent seven-year period, the number of years of credited service and the age when each year of credited service was earned through May 15, 2009. Compensation consists of W-2 taxable income adjusted for associate contributions to Trustmark's 401(k) plan, qualified transportation fringe benefits and cafeteria plans. Compensation does not include group term life insurance, automobile allowance, moving expenses, severance pay or income from stock options after 2002. After 2003, compensation also excludes all incentive compensation, bonuses and commissions, with exceptions for associates whose pay is 100% commission-based.

In an effort to control expenses, participation and benefit accrual under the plan were frozen as of May 15, 2009 (except for certain grandfathered participants, none of whom are NEOs), so that individual pension amounts under the plan are not increased for compensation or service after May 15, 2009 (other than for the grandfathered participants). This freeze applied to all NEOs for 2013. After May 15, 2009, the pension equity lump sum credit balance of each NEO is increased only for interest credited under IRS regulations (but only until the plan benefit commences to be paid).

For 2013, the maximum annual benefit allowable by tax law under the plan was \$205,000. Amounts payable pursuant to the plan are not subject to reduction for social security benefits.

See the Pension Benefits for 2013 table on page 39 for more information regarding this plan.

***Executive Deferral Plan.*** Because of the limits for tax qualified retirement plans, Trustmark also maintains a defined benefit supplemental retirement plan (Executive Deferral Plan) that provides additional retirement benefits to selected executives. The Committee believes the plan is competitive with Trustmark's peer financial institutions and is an important tool in attracting and retaining executive management. NEOs selected for plan participation by the Committee receive retirement benefits generally equal to 50% of their covered salaries. The retirement benefit is payable for life, but not less than 10 years, and commences at normal retirement age, which is the attainment of age 65, whether or not the participant is still employed, unless the early retirement or death provisions described below apply. Benefits payable pursuant to the plan are not subject to reduction for social security benefits.

The plan provides retirement and pre-retirement death benefits based upon a retirement benefit amount for each participant established by the Committee. The retirement benefit amount is based on the participant's level of responsibilities and, in part, on his specified covered salary.

The following table shows, as to each NEO, annual retirement benefits currently anticipated to be paid at normal retirement:

**Annual Benefit**

<b>Name</b>	<b>(\$)</b>
Gerard R. Host	\$ 300,000
Louis E. Greer	\$ 100,000
Duane A. Dewey	\$ 100,000
Wayne A. Stevens	\$ 100,000
Breck W. Tyler	\$ 100,000

The plan permits early retirement at or after age 55 with five years of plan participation. Benefits at early retirement are actuarially reduced. The plan also provides a deferred vested benefit payable at normal retirement age to a participant terminating for reasons other than retirement with at least one year of plan participation or retiring early with a pre-existing election to be paid commencing at his or her normal retirement date. The deferred benefit is accrued and vests at the rate of 1/10th of the anticipated normal retirement benefit for each year of plan participation for a maximum of 10 years. If a participant does not complete at least one year of plan participation, plan benefits are forfeited (except where the cessation of employment is due to death, retirement, total disability or just cause as defined in the plan). Should a participant die prior to retirement, the participant's beneficiary will receive a death benefit equal to a percentage (100% for the first year and 75% for

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the remaining years) of a specified covered salary amount (which amount is twice the anticipated normal retirement benefit) for ten years or until the participant would have reached normal retirement age, whichever is later. Life insurance contracts have been purchased to fund payments under the plan.

In 2013, the Committee approved an increase in the annual retirement benefit for each of Messrs. Greer, Stevens and Tyler under the plan from \$75,000 to \$100,000, to bring this benefit more in line with their positions. Messrs. Greer, Stevens and Tyler each become vested in a pro rata portion of the increased amount for each year he remains employed beginning on July 1, 2013 and annually thereafter through the year he reaches age 64.

See the Pension Benefits for 2013 table on page 39 for more information regarding this plan.

***Non-Qualified Deferred Compensation Plan.*** Trustmark also provides a non-qualified deferred compensation plan that provides additional salary deferral opportunities for executives who may be impacted by the compensation and contribution limits that restrict participation in the 401(k) plan. The Committee believes the plan is competitive with those offered by Trustmark's peer financial institutions and is an important tool in attracting and retaining executive management. The plan allows executives, including NEOs, to defer on a pre-tax basis up to 90% of annual base salary and/or cash bonus. No contribution is made to the plan by Trustmark. Each executive's deferred income 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 executive. Distributions can be received under this plan upon retirement, death, long-term disability, termination of employment or during employment at specified dates.

See the Non-Qualified Deferred Compensation for 2013 table on page 39 for more information regarding this plan.

***Perquisites; Other Compensation.*** Perquisites provided to each NEO are reviewed annually within the context of Trustmark's executive compensation program, market practices and the nature of each NEO's responsibilities. Generally, Trustmark limits the types of perquisites offered to NEOs as shown in the All Other Compensation for 2013 table on page 35. In addition to the cash and equity compensation and supplemental retirement benefits described above, NEOs are eligible to participate in the same benefit plans available to all other salaried associates. These include:

- health insurance (portion of costs),
- basic life insurance,
- long-term disability insurance, and
- participation in Trustmark's 401(k) plan, including a company match.

Consistent with other financial institutions in its peer group, Trustmark encourages executive management to belong to a golf or social club so that there is an appropriate entertainment forum for customers and appropriate interaction with the executives' communities. Trustmark pays the initiation fee and annual dues for a club membership for some of the NEOs. Relocation benefits are also provided and individually negotiated. In addition, Trustmark provides Mr. Host with use of a company-owned automobile, as it does for Mr. Stevens, due to his responsibilities, which require him to travel frequently between various Trustmark offices and branch locations. Messrs. Host and Stevens also use these automobiles for personal transportation. The Committee believes the currently-offered perquisites are minimal in overall cost and competitively necessary to attract and retain talented executives. As the needs of Trustmark and the responsibilities of the NEOs change, the Committee may consider offering different or additional perquisites as appropriate to support Trustmark's business and attract and retain talented executives. For example, in January 2013, the Board authorized an annual allowance of up to 15 hours of personal use of Trustmark's airplane for the CEO. The Committee approved this perquisite as both a competitive attraction and retention tool and to provide an

efficient way to minimize travel time commitments for the CEO and maximize his available time for company business.

***Severance and Change in Control Benefits.*** Upon any termination of employment, the executives would be entitled to receive their vested benefits under the 401(k) plan, pension plan (Trustmark Capital Accumulation Plan), non-qualified deferred compensation plan (NQDC Plan) and supplemental retirement plan (Executive Deferral Plan), although these benefits generally would not be increased or accelerated (except for additional years of service provided under the Executive Deferral Plan under certain circumstances).

Trustmark believes that additional severance benefits are appropriate for executive management because it may be difficult for senior executives to find comparable employment within a short period of time. As discussed above, Trustmark's stock option and restricted stock awards provide for accelerated vesting upon a change in control and upon certain termination events, and an incremental benefit is provided under the Executive Deferral Plan upon certain termination events following a change in control.

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In light of the CEO's role and importance to the success of Trustmark, the Committee believes that it is appropriate to provide for severance and change in control benefits in a written agreement. Mr. Host's employment agreement with Trustmark is described below. In addition, in light of the important role of executive management to the success of Trustmark, the Committee believes that providing change in control benefits to the CEO and other members of executive management should eliminate, or at least reduce, any reluctance to pursue potential change in control transactions that may be in the best interests of shareholders. The NEOs' change in control agreements with Trustmark are described below. Trustmark believes that the severance and change in control benefits it provides are customary among its peers and that the potential cost of these benefits is relatively minor relative to Trustmark's overall value.

With the exception of the accelerated vesting of stock option and restricted stock awards, Trustmark's change in control benefits provided to the CEO and other members of executive management are generally double trigger, which means that the benefits are payable only if the executive's employment is terminated other than for cause, death or disability or if the executive resigns for good reason within a specified period following a change in control. Trustmark believes that these benefits are consistent with the general practice among its peers. In addition, Trustmark believes the use of a double trigger in most cases reasonably balances the needs of the executive and Trustmark by protecting the legitimate interests of executives in employment security without unduly burdening Trustmark or shareholder value.

Trustmark does not provide any tax gross-ups related to severance or other compensation or benefits that executives may receive in connection with a change in control. Change in control benefits are provided on a "best net" approach, with an executive's change in control benefits to be reduced to avoid the golden parachute excise tax only if such a reduction would cause the executive to receive more after-tax compensation than without a reduction.

***Employment Agreement with Mr. Host.*** In connection with his election as President and CEO of Trustmark Corporation and the Bank, Trustmark and Mr. Host entered into a new employment agreement, effective January 1, 2011 (the Agreement) to replace his prior 2007 agreement. The Agreement provides for Mr. Host to serve as President and CEO of Trustmark and the Bank for a term of three years beginning January 1, 2011, with an automatic rolling one-year extension each December 31, unless either Trustmark or Mr. Host provides notice of non-extension, in which case the Agreement would expire at the end of the then-current term. Either Trustmark or Mr. Host may terminate Mr. Host's employment with 30 days' notice, except that no prior notice is required in the case of termination for Cause. If not terminated earlier, Mr. Host's employment under the Agreement will automatically terminate upon his retirement on December 31, 2019, the year he turns 65.

Mr. Host is guaranteed a minimum base salary of \$550,000 annually, subject to annual review. Recognizing the need to be flexible in the current economic environment, the Agreement provides that Mr. Host's base salary may be reduced below \$550,000, with his consent if Trustmark reduces the base salaries of other senior executives.

Mr. Host is eligible to earn an annual cash bonus, with a bonus target amount of 70% of his base salary. Mr. Host is also eligible to receive equity compensation awards on such basis as the Committee determines and is eligible to participate in any benefit plans or programs that are offered to senior executives generally.

On any cessation of employment, Mr. Host will be entitled to his earned but unpaid base salary and annual bonus and, except in the case of termination for Cause, any accrued vacation (earned compensation). Mr. Host will be entitled to additional severance benefits in the event his employment ends as a result of his death or disability, or in the event his employment is terminated by Trustmark without Cause whether in connection with a change in control of Trustmark or not, or in the event Mr. Host resigns for Good Reason whether in connection with a change in control of Trustmark or not.

Under the Agreement, Mr. Host is subject to standard confidentiality, non-solicitation and non-competition obligations during the term of the Agreement and for two years after his employment ends. As partial consideration for these obligations after his employment ends, if Mr. Host's employment is terminated by Trustmark without Cause or if he resigns for Good Reason, he will be entitled to payments equal to two times the sum of (i) his annual base salary and (ii) the average of his annual bonuses earned for the three years prior to the end of his employment (the Covenant Payments), with one-half of the Covenant Payments paid in 12 equal monthly installments commencing 60 days after termination and one-half paid in a lump sum 60 days after termination.

If Mr. Host's employment is terminated by Trustmark without Cause or he resigns for Good Reason, in each case within two years after a change in control, he will be entitled to the following benefits in addition to the Covenant Payments and earned compensation: (i) a lump sum payment equal to one times his base salary and the average of his annual bonuses earned for the three years prior to the change in control, (ii) thirty-six months of continuing medical, dental, vision and group life coverage on the same premium cost sharing basis as prior to termination, and (iii) accelerated vesting of any unvested stock options.

If Mr. Host's employment is terminated by Trustmark without Cause or he resigns for Good Reason where he is not entitled to such change in control enhanced severance benefits, he will be entitled to twenty-four months of continuing medical, dental, vision and group life coverage on the same premium cost sharing basis as prior to termination, in addition to the Covenant Payments and earned compensation.

If Mr. Host's employment is terminated due to disability or if he dies during the term, he or his designated beneficiary, spouse or estate will be entitled to a lump sum payment of his earned compensation plus a time-weighted pro-rata share of his annual bonus target amount for that year.

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In certain cases, some or all of the payments and benefits provided on termination of employment may be delayed for six months following termination to comply with the requirements of Section 409A of the Internal Revenue Code. Any payment required to be delayed would be paid at the end of the six-month period in a lump sum, with any payments due after the six-month period being paid at the normal payment date provided for under the Agreement. In the case of benefits that are delayed, Mr. Host would pay the cost of benefit coverage during the six-month delay period and then be reimbursed by the Company at the end of the six-month period.

In recognition of developing best practices in executive compensation, the Agreement includes a clawback provision that will permit Trustmark to recover certain incentive-based compensation as required by federal law and as determined by the Committee.

For purposes of this agreement, **Cause** means (i) commission of an act of personal dishonesty, embezzlement or fraud, (ii) misuse of alcohol or drugs, (iii) failure to pay any obligation owed to Trustmark or any affiliate, (iv) breach of a fiduciary duty or deliberate disregard of any rule of Trustmark or any affiliate, (v) commission of an act of willful misconduct or the intentional failure to perform stated duties, (vi) willful violation of any law, rule or regulation (other than misdemeanors, traffic violations or similar offenses) or any final cease-and-desist order or (vii) unauthorized disclosure of any confidential information of Trustmark or any affiliate or engaging in any conduct constituting unfair competition or inducing any customer of Trustmark or any affiliate to breach a contract with Trustmark or any affiliate, (viii) conviction of, or entry of a guilty plea or plea of no contest to, any felony or misdemeanor involving moral turpitude, (ix) continual failure to perform substantially his duties and responsibilities (other than any such failure resulting from incapacity due to disability) after a written demand for substantial performance is delivered which specifically identifies the manner in which he has not substantially performed his duties and responsibilities, (x) violation in any material respect of Trustmark's policies or procedures, including the Code of Ethics, or (xi) conduct that has resulted, or if it became known by any regulatory or governmental agency or the public is reasonably likely to result, in the good faith judgment of the Board, in material injury to Trustmark, whether monetary, reputational or otherwise.

For purposes of the Agreement, **Good Reason** means (i) a demotion in status, title or position or the assignment of the person to duties or responsibilities which are materially inconsistent with such status, title or position, (ii) a material breach of the agreement by Trustmark, (iii) a relocation of Trustmark's offices to a location more than fifty miles outside of Jackson, Mississippi, without the executive's consent.

For purposes of the Agreement, **Change in control** means (i) the acquisition by any person of the power to vote, or the acquisition of, more than 20% ownership of Trustmark's voting stock, (ii) the acquisition by any person of control over the election of a majority of the Board, (iii) the acquisition by any person or by persons acting as a group for securities law purposes of a controlling influence over Trustmark's management or policies or (iv) during any two year period, a more than one-third change in the Board (Existing Board), treating any persons approved by a vote of at least two-thirds of the Existing Board as ongoing members of the Existing Board. However, in the case of (i), (ii) and (iii), ownership or control of Trustmark's voting stock by a company-sponsored or a company subsidiary-sponsored employee benefit plan will not constitute a change in control.

The amounts which would have been payable to Mr. Host assuming a termination event on December 31, 2013, are addressed in the Potential Payments Upon Termination or Change in Control section beginning on page 40.

The above is a summary of the material terms and provisions of the Agreement. For the complete Agreement, including the exact definitions of the defined terms appearing therein, refer to the copy of the Agreement which has been filed with the SEC and is incorporated by reference into this proxy statement.

***Change in Control Agreements with Other NEOs.*** In February 2014, upon the recommendation of the Committee and approval of the Board, Trustmark entered into identical change in control agreements with each of the NEOs (each a CIC Agreement), other than Mr. Host whose employment agreement already provides change in control benefits. Under the CIC Agreement, if the executive's employment is terminated by Trustmark other than due to death, disability or for Cause or he resigns for Good Reason, in each case within two years after a change in control, he will be entitled to the following benefits in addition to any previously earned compensation: (i) a lump sum payment within 60 days after termination equal to two times his then current base salary and the average of his annual bonuses earned for the two years prior to the year in which the change in control occurs, and (ii) eighteen months of continuing medical, dental, vision and group life coverage on the same premium cost sharing basis as prior to termination (together, the CIC Benefits). Each CIC Agreement includes standard confidentiality, non-solicitation and non-competition obligations during the executive's employment and for twelve months after the executive's employment ends when the executive is eligible to receive CIC Benefits. Each CIC Agreement also provides that Trustmark may cease providing the CIC Benefits if the executive violates the non-solicitation or non-competition obligation. Each executive is required to sign a release agreement with Trustmark prior to receiving any CIC Benefits after termination.



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For purposes of the CIC Agreements, Cause and change in control have substantially the same meanings as in Mr. Host's employment agreement, and Good Reason means (i) a material diminution in the executive's authority, duties or responsibilities, (ii) a material diminution in the executive's base compensation, (iii) a material breach of the agreement by Trustmark, or (iv) a relocation of Trustmark's offices to a location more than fifty miles outside of Jackson, Mississippi, provided such relocation is considered a material change in the location where the executive must perform services.

These CIC Agreements became effective when they were signed in February 2014. Therefore, the amounts payable to the NEOs under these CIC Agreements in the event of a change in control are not addressed in the Potential Payments Upon Termination or Change in Control section beginning on page 40, which describes amounts payable assuming a termination event on December 31, 2013.

The above is a summary of the material terms and provisions of the CIC Agreements. For a complete CIC Agreement, including the exact definitions of the defined terms appearing therein, refer to the form of CIC Agreement which has been filed with the SEC and is incorporated by reference into this proxy statement.

***Deductibility of Compensation.*** In making compensation decisions, the Committee carefully considers Section 162(m) of the Internal Revenue Code, which limits the tax deductibility of certain compensation in excess of \$1 million paid to Trustmark's NEOs. The Committee believes it is generally in Trustmark's best interest, and that of its shareholders, to offer compensation that is deductible under Section 162(m). It is, therefore, the Committee's general preference that grants of performance-based restricted stock and other incentive awards made pursuant to Trustmark's stock and incentive compensation plans normally comply with the deductibility requirements of Section 162(m) or be in amounts that normally would not be expected to result in non-deductibility under Section 162(m).

The Committee also believes, however, that in certain circumstances factors other than tax deductibility should take precedence when determining the forms and levels of executive compensation. Given the competitive market for outstanding executives, for example, the Committee believes that it is important to retain the flexibility to determine compensation elements consistent with Trustmark's compensation philosophy, even if some executive compensation is not fully deductible under Section 162(m). Accordingly, the Committee does approve elements of compensation for certain executives that are not fully deductible by Trustmark, and reserves the right to do so in the future when appropriate. For that reason, Trustmark's annual cash bonus management incentive plan is currently designed to provide compensation that may not be deductible under Section 162(m) for all NEOs. In 2013, a portion of Mr. Host's compensation was not deductible by Trustmark under Section 162(m).

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

***Stock Ownership Guidelines.*** Although the Board believes management's current ownership of Trustmark stock adequately aligns the interests of management and shareholders, in January 2013 the Board adopted stock ownership guidelines for the CEO and other members of executive management in recognition that such guidelines are considered a best compensation practice that mitigates risks associated with Trustmark's compensation programs and encourages management to focus on long-term growth and financial success. The guidelines require the CEO to own shares of Trustmark stock having a value of three times his base salary and require other members of executive management to own shares of Trustmark stock having a value of one and one-half times their base salary. The guidelines provide that the applicable ownership level should be reached within five years from the later of January 22, 2013 or the date of appointment as CEO or as a member of executive management. The Human Resources

Committee reviews stock ownership levels of executive management annually. Although Trustmark does permit pledging of Trustmark shares in very limited circumstances, pledged shares are not considered to be owned for purposes of the stock ownership guidelines. In addition, until an executive has reached the minimum requirement, the executive is required to hold 100% of the shares received from any Trustmark stock awards.

***Executive Compensation Recoupment.*** Ethical behavior and integrity remain an important priority for Trustmark. In support of this, and in anticipation of adopting a comprehensive executive compensation recoupment policy (also known as a clawback policy), the Committee began including a clawback provision in the performance-based restricted stock awards beginning with awards granted to the executive officers in 2011. Also since 2011, the Committee has included a similar clawback provision in the management incentive plan with respect to annual cash bonuses that may be earned under the plan. Under these provisions, any performance-based restricted stock that vests or cash bonus paid is subject to recovery by Trustmark as required by applicable federal law and on such basis as the Board determines. The Committee anticipates adopting a comprehensive executive clawback policy once the SEC publishes final rules implementing the clawback requirements from the Dodd-Frank Act.

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*Analysis of Risk Associated with Trustmark's Compensation Policies and Practices.* In late 2013 and early 2014, the Committee, together with Trustmark's risk officers, conducted an in-depth risk assessment of Trustmark's compensation policies and practices. Management prepared detailed materials regarding the operation of Trustmark's various compensation arrangements with its associates and submitted the materials to Trustmark's risk officers, who reviewed the materials with the members of management most closely involved with the respective compensation arrangements. Trustmark's risk officers identified the key enterprise risks to which Trustmark is subject, including credit, liquidity, market/interest rate, compliance, operational, technology, strategic, reputational and other risks, and focused their review on the compensation arrangements most likely to implicate those risks. Trustmark's Chief Risk Officer presented the risk officers' conclusions and supporting materials to the Committee, which reviewed and discussed the analysis at its meeting on February 19, 2014. The Committee has concluded that Trustmark's compensation policies and practices have sufficient mitigating features and controls to maintain an appropriate balance between prudent business risk and resulting compensation and encourage appropriate risk behavior consistent with Trustmark's business strategy and profit goals. Some of the mitigating features and controls used are the overall compensation mix, weighting of performance metrics, timing of awards in relation to performance measurement period, use of full value equity-based awards with multiyear vesting periods, and establishment of targets with payouts at multiple levels of performance, chargeback provisions on returned or unearned commissions, capped upside opportunities, and oversight by executive management and the Board. In addition, Trustmark's incentive compensation arrangements are subject to a system of internal controls to ensure that incentive compensation is properly tracked, approved and paid. Trustmark's internal controls include comparisons throughout the year of performance results against performance requirements, approval by appropriate levels of management, the Committee, the Board and/or the Bank Board of incentive compensation payouts, with separate review and approval by division controllers of lines of business that have significant incentive compensation payouts, and coordination among human resources, accounting, and payroll personnel to ensure that incentive compensation payouts that have been approved are appropriately reconciled to those approvals before and after payment is made. As a result, the Committee has concluded that Trustmark's compensation policies and practices are not reasonably likely to have a material adverse effect on Trustmark, do not encourage imprudent risk-taking behavior, and are consistent with maintaining the organization's safety and soundness.

**Table of Contents****Summary Compensation Table for 2013**

The following table summarizes the compensation components for the CEO, the CFO and each of the next three most highly compensated executive officers during 2013, and indicates their positions as of December 31, 2013. The table includes base salary, cash incentives paid or accrued, as well as amounts for equity awards, retirement benefits and other compensation for 2011, 2012 and 2013. The amounts reported in the Change in Pension Value and Non-Qualified Deferred Compensation Earnings column were not paid to the NEOs in any year shown. These amounts represent the annual change in the present value of potential future benefits the NEOs might receive upon retirement, assuming the benefits have vested.

Principal Position	Year	Salary (\$)	Bonus (1) (\$)	Awards (2) (\$)	Option Awards (3) (\$)	Non-Equity Incentive Plan Compensation (4) (\$)	Change in Pension Value and Non- Qualified Deferred Compensation (5) (\$)	All Other Compensation (6) (\$)
<b>Chief Executive Officer,</b> <i>Trustmark Financial Bank Corporation;</i>	2013	\$ 707,000	---	\$ 667,616	---	\$ 726,978	---	\$ 133,224
	2012	\$ 675,000	---	\$ 579,311	---	\$ 787,640	\$ 407,257	\$ 101,891
	2011	\$ 550,000	---	\$ 590,590	---	\$ 524,679	\$ 1,754,907	\$ 86,012
<b>Chief Financial Officer,</b> <i>Trustmark Financial Bank Corporation;</i>	2013	\$ 349,007	---	\$ 120,167	---	\$ 230,644	---	\$ 41,758
	2012	\$ 337,928	---	\$ 132,087	---	\$ 249,935	\$ 125,459	\$ 43,190
	2011	\$ 292,500	---	\$ 134,681	---	\$ 184,041	\$ 179,937	\$ 36,757
<b>Chief Operating Officer,</b> <i>Trustmark Financial Bank Corporation;</i>	2013	\$ 338,500	---	\$ 120,167	---	\$ 179,366	---	\$ 39,429
	2012	\$ 333,666	---	\$ 132,087	---	\$ 159,695	\$ 188,889	\$ 41,161
	2011	\$ 316,500	---	\$ 134,681	---	\$ 205,676	\$ 220,470	\$ 41,141
<b>Chief Risk Officer,</b> <i>Trustmark Financial Bank Corporation;</i>	2013	\$ 321,000	---	\$ 120,167	---	\$ 224,557	---	\$ 42,263
	2012	\$ 312,500	---	\$ 132,087	---	\$ 195,647	\$ 121,661	\$ 45,546
	2011	\$ 269,583	\$ 35,000	\$ 134,681	---	\$ 174,198	\$ 183,374	\$ 43,466
<b>Chief Credit Officer,</b> <i>Trustmark Financial Bank Corporation;</i>	2013	\$ 306,000	---	\$ 120,167	---	\$ 404,725	---	\$ 32,119
	2012	\$ 305,000	\$ 20,000	\$ 132,087	---	\$ 209,549	\$ 128,493	\$ 34,090
	2011	\$ 298,450	\$ 20,000	\$ 134,681	---	\$ 175,294	\$ 189,187	\$ 34,269

- (1) For Messrs. Stevens and Tyler, the amounts in this column reflect the additional amounts awarded in the Committee's discretion under the management incentive plan.*
- (2) The amounts in this column reflect restricted stock awards granted to the NEOs during 2011, 2012 and 2013 and are disclosed as the aggregate grant date fair value of the awards, computed in accordance with ASC Topic 718 based, in the case of performance-based awards, on the then-anticipated outcome and excluding the impact of estimated forfeitures. These awards include performance-based awards that will vest only if the related performance measures are achieved. For the performance-based awards granted in 2011 and 2012, the amounts reported in this column reflect the grant date fair value based on the achievement of the maximum level. For the performance-based awards granted in 2013, the amounts reported in this column reflect the grant date fair value based on the achievement of the target level. The grant date fair values for the 2013 awards, based on achievement of the maximum level, would be as follows: Host -- \$534,282, Messrs. Greer, Dewey, Stevens and Tyler -- \$96,165. 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, 2013, in Trustmark's Annual Report on Form 10-K filed with the SEC on February 24, 2014.*
- (3) No stock option awards were made during 2011, 2012 or 2013.*
- (4) Annual cash bonuses earned under Trustmark's management incentive plan are reported in this table as Non-Equity Incentive Plan Compensation. Non-equity incentive plan compensation for Mr. Tyler for 2013 includes both (i) his annual cash bonus earned under Trustmark's management incentive plan of \$207,530 and (ii) quarterly mortgage department production bonus incentives totaling \$197,195.*
- (5) In 2013, changes in pension value were negative and driven largely by an increase in the discount rate applied to calculate the present value of future pension payments. The changes in pension value are as follows: Host -- \$(267,901), Greer--\$(80,595), Dewey -- \$(20,463), Stevens -- \$(52,480), Tyler -- \$(100,293). These decreases and the increases shown in the table above for 2012 and 2011 reflect the changes in actuarial present value of the NEO's accumulated benefits under the Trustmark Capital Accumulation Plan and Executive Deferral Plan, determined using interest rate and mortality rate assumptions consistent with those used in Trustmark's audited financial statements and include amounts which the NEO may not currently be entitled to receive because such amounts are not yet vested.*
- (6) See the following table for details of all other compensation for 2013.*

**Table of Contents****All Other Compensation for 2013**

The detail of all other compensation for 2013 is included in the following table:

Name	Airplane Allowance (1) (\$)	Use of Company- Provided Automobile (2) (\$)	Moving Expense (\$)	Dividends on		Club Dues (\$)	Earned Vacation (\$)	Company- Paid Life Insurance Premiums (\$)		Total (\$)
				Based Restricted Stock (3) (\$)	401(k) Match (\$)					
Gerard R. Host	\$ 30,086	\$ 12,162	---	\$ 68,908	\$ 6,768	---	\$ 15,300	---	\$ 133,224	
Louis E. Greer	---	---	---	\$ 16,819	\$ 9,639	---	\$ 15,300	---	\$ 41,758	
Duane A. Dewey	---	---	---	\$ 16,819	\$ 7,310	---	\$ 15,300	---	\$ 39,429	
Wayne A. Stevens	---	\$ 4,411	---	\$ 15,207	\$ 7,345	---	\$ 15,300	---	\$ 42,263	
Breck W. Tyler	---	---	---	\$ 16,819	---	---	\$ 15,300	---	\$ 32,119	

(1) The aggregate incremental cost of Mr. Host's personal use of the company airplane is calculated based on the annual cost of operating the company airplane. Operating costs include depreciation, fuel, maintenance, insurance, flight crew expenses (including pilot salaries), landing fees and hangar expenses, on-board catering expenses, universal weather monitoring costs, if applicable, and other miscellaneous expenses. Total annual operating costs are divided by the total number of hours the company airplane was used during the year to determine the average operating cost per hour. The average operating cost per hour is then multiplied by the hours Mr. Host used the company airplane for personal use to determine Trustmark's aggregate incremental cost.

(2) The aggregate incremental cost of Messrs. Host's and Stevens' personal use of a company-owned automobile is calculated based on the annual cost to Trustmark to own and operate each automobile (taking into account depreciation, insurance, taxes, repairs, maintenance and fuel) multiplied by the percentage that Messrs. Host and Stevens, respectively, used the automobile for personal rather than business travel.

(3) The amounts in this column reflect the dividends credited to shares of unvested time-based restricted stock held by the NEOs on each dividend payment date during 2013. These dividends are accumulated and will vest and be paid only when and to the extent the related restricted shares vest, subject to a six-month delay when required by Section 409A.

**Grants of Plan-Based Awards for 2013**

The following table presents information regarding incentive-based cash bonuses and equity awards granted to the NEOs during or for the year ended December 31, 2013, under Trustmark's annual management incentive plan (cash), the quarterly mortgage department production bonus incentive for Mr. Tyler (cash) and 2005 Incentive Plan (restricted stock) and in the case of incentive-based awards reflects the amounts that could be earned or received under such awards:

	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Possible Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (3)	All Other Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards (\$/Sh)	Grant Fair Value of Stock and Options Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	(#)	(#)		
Mr. [Name]		\$ 245,000	\$ 490,000	\$ 980,000	---	---	---	---	---	---	---
	1/22/2013	---	---	---	2,610	14,912	29,824	---	---	---	\$ 493,900
	1/22/2013	---	---	---	---	---	---	7,344	---	---	\$ 173,600
Mr. [Name]		\$ 77,738	\$ 155,475	\$ 310,950	---	---	---	---	---	---	---
	1/22/2013	---	---	---	470	2,684	5,368	---	---	---	\$ 88,900
	1/22/2013	---	---	---	---	---	---	1,322	---	---	\$ 31,200
Mr. [Name]		\$ 75,375	\$ 150,750	\$ 301,500	---	---	---	---	---	---	---
	1/22/2013	---	---	---	470	2,684	5,368	---	---	---	\$ 88,900
	1/22/2013	---	---	---	---	---	---	1,322	---	---	\$ 31,200
Mr. [Name]		\$ 70,875	\$ 141,750	\$ 283,500	---	---	---	---	---	---	---
	1/22/2013	---	---	---	470	2,684	5,368	---	---	---	\$ 88,900
	1/22/2013	---	---	---	---	---	---	1,322	---	---	\$ 31,200
Mr. [Name]		\$ 61,200	\$ 122,400	\$ 244,800	---	---	---	---	---	---	---
		---	---	\$ 225,000	---	---	---	---	---	---	---
	1/22/2013	---	---	---	470	2,684	5,368	---	---	---	\$ 88,900
	1/22/2013	---	---	---	---	---	---	1,322	---	---	\$ 31,200

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- (1) *The amounts shown in these columns reflect the minimum possible payment level (threshold) under the management incentive plan awards, which was 50% of the target amount shown, the target payment under the awards and the maximum possible payment under the awards, which was 200% of the target. All of these amounts are percentages of the executive's base salary as of March 1, 2013. The amount of the award actually earned by the CEO and CFO were recommended by the Committee and approved by the Board on January 22, 2013. The amount of the awards actually earned by the other NEOs were recommended by the Committee and approved by the Bank Board on March 12, 2013. For Mr. Tyler, the amounts shown in the second row reflect the maximum amount he can earn annually under a quarterly production incentive based on the mortgage department's origination, above a threshold production level, of mortgages that conform to the Bank's mortgage origination guidelines. The quarterly production incentive does not have a threshold or target level. All amounts earned are reported as Non-Equity Incentive Plan Compensation in the Summary Compensation Table on page 34.*
- (2) *Reflects the number of performance-based restricted shares granted on January 22, 2013. The awards vest based on the achievement of target percentages related to ROATE (50%), with vesting up to and including 100%, and TSR (50%), with vesting up to and including 100%, compared to the 2013 peer group. The performance period began January 1, 2013, and continues through December 31, 2015. In the event of the executive's death, disability, retirement at or after age 65 with consent of the Committee and where cause for termination is not present, termination by Trustmark without cause, termination by the executive for good reason if provided in the executive's employment agreement or a change in control, partial time-weighted performance vesting occurs based on ROATE and TSR through the end of the calendar quarter prior to such event. If a greater than 100% vesting level with respect to the ROATE and TSR targets is achieved in the aggregate (with the maximum being 200%), an additional award of unrestricted achievement shares will be issued to the NEO if he remains employed for the entire performance period. The number of achievement shares issued will equal the number of shares awarded initially to the executive multiplied by the vesting percentage exceeding 100%. Any earned achievement shares will be issued during the first 2 1/2 months of 2016 and will be 100% vested on their issue date. Achievement shares may be issued based on the occurrence of any of the accelerated vesting events noted above. Dividends on any performance-based restricted shares are accumulated and will vest and be paid only when and to the extent the related shares vest, subject to a six-month delay when required by Section 409A.*
- (3) *Reflects the number of time-based restricted shares granted on January 22, 2013. The awards vest on January 22, 2016, if the executive remains employed through such date. Partial time-weighted vesting will occur through the calendar month ending on or prior to the occurrence of any of the accelerated vesting events described in footnote (2) above. Dividends on any time-based restricted shares will be accumulated and will vest and be paid only when and to the extent the shares vest, subject to a six-month delay when required by Section 409A.*
- (4) *The amounts in this column reflect the grant date fair value of the performance-based restricted stock and potential achievement shares that may be awarded in the future, computed in accordance with ASC Topic 718, in each case based on the then-anticipated outcome and the grant date fair value of the time-based restricted stock computed in accordance with ASC Topic 718.*

**Outstanding Equity Awards at 2013 Fiscal Year-End (Option Awards)**

None of the NEOs held any unexercised options at December 31, 2013.



**Table of Contents****Outstanding Equity Awards at 2013 Fiscal Year-End (Stock Awards)**

The following table presents information regarding unvested performance-based and time-based restricted stock awards held by NEOs at December 31, 2013. All awards in the table below were granted under the 2005 Incentive Plan.

Name	Grant Date	Stock Awards			Equity Incentive
		Number of Shares or Units of Stock That Have Not Vested (1) (#)	Market Value of Shares or Units of Stock That Have Not Vested (2) (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (1) (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Rights That Have Not Vested (2) (\$)
Gerard R. Host	3/31/2009(3)	978	\$ 26,250	---	---
	10/27/2009(3)	4,325	\$ 116,083	---	---
	12/16/2009(3)	3,871	\$ 103,898	---	---
	1/26/2010(4)	1,929	\$ 51,774	---	---
	1/25/2011(5)	---	---	8,438	\$ 226,476
	1/25/2011(6)	5,397	\$ 144,855	---	---
	1/24/2012(7)	---	---	10,834	\$ 290,785
	1/24/2012(6)	5,336	\$ 143,218	---	---
	1/22/2013(8)	---	---	14,912	\$ 400,238
	1/22/2013(6)	7,344	\$ 197,113	---	---
		29,180	\$ 783,191	34,184	\$ 917,499
Louis E. Greer	3/31/2009(3)	3,316	\$ 89,001	---	---
	1/26/2010(4)	538	\$ 14,440	---	---
	1/25/2011(5)	---	---	1,924	\$ 51,640
	1/25/2011(6)	1,231	\$ 33,040	---	---
	1/24/2012(7)	---	---	2,470	\$ 66,295
	1/24/2012(6)	1,217	\$ 32,664	---	---
	1/22/2013(8)	---	---	2,684	\$ 72,039
	1/22/2013(6)	1,322	\$ 35,482	---	---
		7,624	\$ 204,627	7,078	\$ 189,974
Duane A. Dewey	3/31/2009(3)	2,520	\$ 67,637	---	---

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	10/27/2009(3)	796	\$ 21,364	---	---
	1/26/2010(4)	538	\$ 14,440	---	---
	1/25/2011(5)	---	---	1,924	\$ 51,640
	1/25/2011(6)	1,231	\$ 33,040	---	---
	1/24/2012(7)	---	---	2,470	\$ 66,295
	1/24/2012(6)	1,217	\$ 32,664	---	---
	1/22/2013(8)	---	---	2,684	\$ 72,039
	1/22/2013(6)	1,322	\$ 35,482	---	---
		7,624	\$ 204,627	7,078	\$ 189,974
Wayne A. Stevens	1/27/2009(3)	3,316	\$ 89,001	---	---
	1/26/2010(4)	538	\$ 14,440	---	---
	1/25/2011(5)	---	---	1,924	\$ 51,640
	1/25/2011(6)	1,231	\$ 33,040	---	---
	1/24/2012(7)	---	---	2,470	\$ 66,295
	1/24/2012(6)	1,217	\$ 32,664	---	---
	1/22/2013(8)	---	---	2,684	\$ 72,039
	1/22/2013(6)	1,322	\$ 35,482	---	---
		7,624	\$ 204,627	7,078	\$ 189,974
Breck W. Tyler	3/31/2009(3)	1,597	\$ 42,863	---	---
	10/27/2009(3)	1,719	\$ 46,138	---	---
	1/26/2010(4)	538	\$ 14,440	---	---
	1/25/2011(5)	---	---	1,924	\$ 51,640
	1/25/2011(6)	1,231	\$ 33,040	---	---
	1/24/2012(7)	---	---	2,470	\$ 66,295
	1/24/2012(6)	1,217	\$ 32,664	---	---
	1/22/2013(8)	---	---	2,684	\$ 72,039
	1/22/2013(6)	1,322	\$ 35,482	---	---
		7,624	\$ 204,627	7,078	\$ 189,974

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- (1) Dividends on these shares are accumulated, vest and are paid only when and to the extent the underlying restricted shares vest, subject to a six-month delay when required by Section 409A. Accelerated vesting of these shares may occur based on the executive's death, disability, retirement at or after age 65 with consent of the Committee and where cause for termination is not present, termination by Trustmark without cause, termination by the executive for good reason if provided in the executive's employment agreement or a change in control.
- (2) The market value of shares that have not vested is the number of reported shares multiplied by the closing market price of Trustmark's common stock on December 31, 2013, which was \$26.84 per share.
- (3) Reflects the number of excess shares that were issued on February 14, 2012, in connection with the greater than 100% vesting of the performance-based restricted stock awards granted on January 27, March 31, October 27 and December 16, 2009. These time-based restricted shares will vest on December 16, 2014, if the executive remains employed through such date. See footnote (1) above for information regarding dividend accumulation and the events that may trigger accelerated vesting with respect to these shares.
- (4) Reflects the number of excess shares that were issued on February 19, 2013, in connection with the greater than 100% vesting of the performance-based restricted stock award granted on January 26, 2010. These time-based restricted shares will vest on February 19, 2016, if the executive remains employed through such date. See footnote (1) above for information regarding dividend accumulation and the events that may trigger accelerated vesting with respect to these shares.
- (5) For restricted stock granted on January 25, 2011, reflects the number of performance-based restricted shares that vested under the award on February 19, 2014. The award vested based on achievement of ROATE targets, with potential vesting up to and including 100% based on ROATE and TSR targets, with potential vesting up to and including 100% based on TSR, compared to a group of peer financial institutions over a January 1, 2011, through December 31, 2013, performance period. Because of the achievement of a performance-based vesting level with respect to the ROATE and TSR targets of less than 100% in the aggregate (77% out of a maximum of 200%), no additional excess shares were granted.
- (6) Reflects time-based restricted stock granted, which vests 100% on the third anniversary of the grant date, if the executive remains employed through such date. See footnote (1) above for information regarding dividend accumulation and the events that may trigger partial time-weighted accelerated vesting with respect to these shares.
- (7) For awards granted on January 24, 2012, reflects the target (100%) number of performance-based restricted shares granted. The awards vest based on achievement of ROATE targets, with vesting up to and including 100% based on ROATE, and TSR targets, with vesting up to and including 100% based on TSR, compared to a group of peer financial institutions over a January 1, 2012, through December 31, 2014, performance period, if the executive remains employed through the end of the performance period. Partial time-weighted performance vesting occurs based on ROATE and TSR through the end of the calendar quarter prior to the occurrence of any of the events described in footnote (1) above. If a greater than 100% vesting level with respect to the ROATE and TSR targets is achieved in the aggregate (with the maximum being 200%) for an executive who remains employed for the entire performance period, then an additional award of time-based restricted stock (excess shares) will be issued in the first two and one-half months after the end of the performance period equal to the number of shares awarded initially to that executive multiplied by the vesting exceeding 100%. Any such awarded excess shares will vest on the third anniversary of their issue date, if the executive remains employed through such date. See footnote (1) above for information regarding dividend accumulation and the events that may trigger accelerated vesting with respect to these shares.
- (8) For awards granted on January 22, 2013, reflects the target (100%) number of performance-based restricted shares granted. See footnote (2) to the Grants of Plan-Based Awards for 2013 table on page 36 for discussion of the vesting schedule of these awards of performance-based restricted shares and potential achievement shares.

**Option Exercises and Stock Vested for 2013**

The following table presents information regarding stock options exercised and restricted stock that vested during 2013 for each of the NEOs:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (1)	Value Realized on Exercise (2)	Number of Shares Acquired on Vesting (3)	Value Realized on Vesting (4)
	(#)	(\$)	(#)	(\$)
Gerard R. Host	25,000	\$ 24,510	23,407	\$ 586,130
Louis E. Greer	3,500	\$ 2,100	7,017	\$ 176,690
Duane A. Dewey	25,000	\$ 22,350	7,017	\$ 176,690
Wayne A. Stevens	3,500	\$ 2,111	5,264	\$ 129,306
Breck W. Tyler	4,500	\$ 3,915	7,017	\$ 176,690

- (1) Represents the gross number of shares acquired upon exercise of vested options without taking into account any shares that may have been surrendered or withheld to cover the option exercise price or applicable tax obligations.
- (2) Value realized is the gross number of options exercised multiplied by the difference between the exercise price and the market price of Trustmark's common stock at the time of exercise.
- (3) Represents the total number of restricted shares that vested during 2013, without taking into account any shares that may have been surrendered or withheld for applicable tax obligations.
- (4) Value realized is the gross number of shares multiplied by the market price of Trustmark's common stock on the date of vesting.

**Table of Contents****Pension Benefits for 2013**

The Trustmark Capital Accumulation Plan and the Executive Deferral Plan are discussed in more detail under Trustmark Capital Accumulation Plan and Executive Deferral Plan on page 28. The following table shows the present value at December 31, 2013, of accumulated benefits payable to each NEO, including the number of years of service credited, under each of the Trustmark Capital Accumulation Plan and the Executive Deferral 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, 2013, in Trustmark's Annual Report on Form 10-K filed with the SEC on February 24, 2014:

<b>Name</b>	<b>Plan Name</b>	<b>Number of Years Credited Service (1)</b> (#)	<b>Present Value of Accumulated Benefit (2)(3)</b> (\$)	<b>Payments During Last Fiscal Year</b> (\$)
Gerard R. Host	Trustmark Capital Accumulation Plan	25	\$ 389,075	---
	Executive Deferral Plan	21	\$ 2,965,632	---
Louis E. Greer	Trustmark Capital Accumulation Plan	22	\$ 267,650	---
	Executive Deferral Plan	15	\$ 741,408	---
Duane A. Dewey	Trustmark Capital Accumulation Plan	5	\$ 50,665	---
	Executive Deferral Plan	10	\$ 828,214	---
Wayne A. Stevens	Trustmark Capital Accumulation Plan	23	\$ 114,673	---
	Executive Deferral Plan	10	\$ 499,686	---
Breck W. Tyler	Trustmark Capital Accumulation Plan	19	\$ 254,402	---
	Executive Deferral Plan	13	\$ 621,161	---

(1) Actual years of service as a Trustmark associate for each NEO is as follows: Host 29, Greer 26, Dewey 10, Stevens 27 and Tyler 23. Effective May 15, 2009, benefits under the Trustmark Capital Accumulation Plan were frozen. Thus, NEOs will not earn additional benefits after May 15, 2009, except for interest as required by IRS regulations. For purposes of the Executive Deferral Plan, NEOs normally receive one year of credited service for every 12 months of employment with Trustmark since commencement of participation in the plan. For purposes of calculating years of credited service for the Trustmark Capital Accumulation Plan, NEOs received one year of credited service for every calendar year in which they worked 1,000 hours (but disregarding hours of service after May 15, 2009, due to the benefit accrual freeze under the plan). Therefore, number of years of credited service as an associate and years of credited service for the Trustmark Capital Accumulation Plan and the Executive Deferral Plan may differ. Also, since the date of entry into the Executive Deferral Plan could be subsequent to the date of entry into the Trustmark Capital Accumulation Plan, the number of years of credited service for each plan may be different depending on each respective date of entry. This table assumes the entire service period was

completed under the benefit formula that was effective for service through December 31, 2013, and thereafter, subject to the benefit accrual freeze as of May 15, 2009, for the Trustmark Capital Accumulation Plan.

- (2) Includes amounts which the NEO may not currently be entitled to receive because such amounts are not vested.  
 (3) The present value of accumulated benefit is based on converting the lump sum attributable to credits earned to date to an annuity payable at retirement age, which is then discounted back to December 31, 2013.

### Non-Qualified Deferred Compensation for 2013

Trustmark's non-qualified deferred compensation plan is discussed in more detail under Non-Qualified Deferred Compensation Plan on page 29. The following table presents information relating to each NEO's participation in the plan:

Name	Executive Contributions in Last Fiscal Year (1) (\$)	Trustmark Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (2) (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last Fiscal Year-End (3) (\$)
Gerard R. Host		---	\$ 530,341	---	\$ 2,487,633
Louis E. Greer		---	\$ 13,902	---	\$ 65,245
Duane A. Dewey		---	\$ 8,126	---	\$ 240,021
Wayne A. Stevens	---	---	\$ 814	---	\$ 4,694
Breck W. Tyler	\$ 22,774	---	\$ 225,019	---	\$ 1,059,177

(1) All amounts are reported as 2013 non-equity incentive plan compensation for the NEO in the Summary Compensation Table on page 34.

(2) The amounts in this column consist of investment gains for 2013 and do not include any above-market earnings.

(3) Of the amounts disclosed in this column, the following amounts were previously reported as compensation to the NEO in a Summary Compensation Table prior to 2013: Host \$1,635,133, Greer \$27,500, Dewey \$209,045 and Tyler \$435,384.

**Table of Contents****Potential Payments Upon Termination or Change in Control**

As discussed above, Trustmark's executive compensation programs, plans and agreements provide for payments to the NEOs in the event of certain terminations of employment or upon a change in control of Trustmark. The following table describes the potential payments that would be made to each of the NEOs in various termination and change in control scenarios based on compensation, benefit and equity levels in effect on December 31, 2013. The amounts shown are estimates, and assume that the termination or change in control event occurred on December 31, 2013. The actual amounts to be paid can only be determined at the time of an NEO's actual termination of employment or an actual change in control of Trustmark.

In accordance with SEC regulations, the following table does not report any amount to be provided to an NEO that does not discriminate in scope, terms or operation in favor of Trustmark's executive officers and which is available generally to all salaried employees, and excludes (i) amounts accrued through December 31, 2013, that would be paid in the normal course of continued employment, such as accrued but unpaid salary and bonus amounts, (ii) vested account balances under the Trustmark Capital Accumulation Plan, Executive Deferral Plan, NQDC Plan and 401(k) plan and (iii) already vested equity awards.

Amounts payable upon a change in control to the NEOs other than Mr. Host pursuant to the CIC Agreements entered into in February 2014 are not included in the table below as such agreements did not exist on December 31, 2013.

Name	Incremental Compensation and Benefit Payments	Non-CIC	CIC
		Termination by Company Without Cause or by Executive for Good Reason under Employment	Termination by Company Without Cause or by Executive for Good Reason under Employment
Gerard R. Host (1)	Severance	---	\$ 1,283,393
	Covenant Payment (2)	\$ 2,566,786	\$ 2,121,202
	Stock Options -- Accelerated Vesting (3)	---	---
	Restricted Stock -- Accelerated Vesting (3)(4)	\$ 991,532	\$ 991,532
	Executive Deferral Plan (5)(6)	---	---
	Health & Welfare Benefits (7)	\$ 42,114	\$ 63,171
	Totals	\$ 3,600,432	\$ 4,459,298
Louis E. Greer	Severance	---	---
	Covenant Payment	---	---
	Stock Options -- Accelerated Vesting (3)	---	---
	Restricted Stock -- Accelerated Vesting	\$ 254,058	\$ 254,058

	(3)(4) Executive Deferral Plan		
	(5)(6) Health & Welfare Benefits	---	---
	Totals	\$ 254,058	\$ 254,058
Duane A. Dewey	Severance	---	---
	Covenant Payment	---	---
	Stock Options -- Accelerated Vesting (3)	---	---
	Restricted Stock -- Accelerated Vesting	---	---
	(3)(4) Executive Deferral Plan	\$ 254,058	\$ 254,058
	(5)(6) Health & Welfare Benefits	---	---
	Totals	\$ 254,058	\$ 254,058
Wayne A. Stevens	Severance	---	---
	Covenant Payment	---	---
	Stock Options -- Accelerated Vesting (3)	---	---
	Restricted Stock -- Accelerated Vesting	---	---
	(3)(4) Executive Deferral Plan	\$ 254,058	\$ 254,058
	(5)(6) Health & Welfare Benefits	---	---
	Totals	\$ 254,058	\$ 254,058
Breck W. Tyler	Severance	---	---
	Covenant Payment	---	---
	Stock Options -- Accelerated Vesting (3)	---	---
	Restricted Stock -- Accelerated Vesting	---	---
	(3)(4) Executive Deferral Plan	\$ 254,058	\$ 254,058
	(5)(6) Health & Welfare Benefits	---	---
	Totals	\$ 254,058	\$ 254,058



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- (1) *If during the term of his employment agreement, Mr. Host's employment is terminated due to disability or if he dies, he or his designated beneficiary, spouse or estate will be entitled to a lump sum payment of a time-weighted pro-rata share of his annual bonus target amount for that year (\$490,000 for 2013), in addition to accrued but unpaid compensation to date of termination.*
- (2) *Payments pursuant to Mr. Host's employment agreement in consideration of covenants relating to confidentiality and two-year non-solicitation and non-competition commitments, with one-half of the payment paid in 12 equal monthly installments and one-half paid in a lump sum. Payment amounts shown for Mr. Host are reduced, pursuant to his employment agreement, to the maximum amount which may be paid without triggering a golden parachute excise tax under Section 280G of the Internal Revenue Code.*
- (3) *Under a change in control without termination of employment, the executive is entitled to accelerated vesting of a pro-rata portion of his unvested restricted stock (plus accumulated dividends attributable to the shares of restricted stock vesting), based on actual service in the case of time-based restricted stock, and actual service and actual performance in the case of performance-based restricted stock (but including 100% of any excess shares previously issued for completed performance periods). None of the NEOs held any unvested stock options as of December 31, 2013, and, therefore, no incremental value has been attributed to accelerated vesting of options. The value of the restricted stock upon vesting is based on the closing market price per share of \$26.84 as of December 31, 2013, plus the amount of accumulated cash dividends attributable to the shares of restricted stock vesting. No other incremental compensation or benefits are payable in such change in control event.*
- (4) *Upon death or disability, retirement at or after age 65 with consent of the Committee and where cause for termination is not present, termination by Trustmark not for cause or termination by the executive for good reason if provided in the executive's employment agreement, the executive is entitled to accelerated vesting of a pro-rata portion of his unvested restricted stock (plus accumulated dividends attributable to the shares of restricted stock vesting), based on actual service in the case of time-based restricted stock, and actual service and actual performance in the case of performance-based restricted stock (but including 100% of any excess shares previously issued for completed performance periods).*
- (5) *Upon death, an incremental pre-retirement death benefit may be payable to the executive's beneficiary under the Executive Deferral Plan.*
- (6) *Upon termination within three years following a change in control, the incremental Executive Deferral Plan benefit amount is equal to the present value difference between the benefit at normal retirement date and the deferred benefit accrued to date, calculated by adding five years of service, up to a maximum of ten total years of participation. The actuarial assumptions used to calculate the incremental benefit are the same as the assumptions in the Pension Benefits for 2013 table using a 3.5% rate for present value computations. None of the NEOs would have received an incremental benefit from this provision upon a December 31, 2013 termination.*
- (7) *Mr. Host is entitled to 24 months of continuing medical, dental, vision and group life coverage on the same premium cost sharing basis as prior to termination if his employment is terminated by Trustmark without cause or if he resigns for good reason, and 36 months of continuing medical, dental, vision and group life coverage on the same premium cost sharing basis as prior to termination upon such events in the case of a change in control.*

**Human Resources Committee Report**

The Human Resources Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and, based on such review and discussions, the Human Resources Committee, as listed below, recommended to the Audit and Finance Committee, acting on behalf of the Board, that the Compensation Discussion and Analysis be included in this proxy statement.

John M. McCullough (Chairman)  
Aldolphus B. Baker

Daniel A. Grafton  
R. Michael Summerford

## **Human Resources Committee Interlocks and Insider Participation**

The following directors served on Trustmark's Human Resources Committee during 2013: John M. McCullough (Chairman), Adolphus B. Baker, Daniel A. Grafton and R. Michael Summerford. No current or former executive officer or associate of Trustmark or any of its subsidiaries currently serves or has served as a member of the Human Resources Committee or has been involved in any related party transaction as discussed in the section beginning on page 43.

## **PROPOSAL 2: ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

Section 14A of the Exchange Act requires that Trustmark's shareholders have the opportunity to provide an advisory vote to approve Trustmark's executive compensation as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules. Accordingly, Trustmark's shareholders are hereby given the opportunity to cast an advisory vote to approve or not approve the compensation of Trustmark's named executive officers as described above, by voting for or against this proposal.

The Human Resources Committee and Board have designed Trustmark's executive compensation to recruit, retain and motivate employees who play a significant role in the organization's current and future success. Trustmark, through the Human Resources Committee, the Board and the contributions of an outside compensation consultant, structures executive compensation to motivate these employees to maximize shareholder value by achieving performance goals while limiting risk appropriately and maintaining the safety and soundness of the organization. For a full description of these executive compensation practices, please see the description provided under the heading "Executive Compensation," including the "Compensation Discussion and Analysis" and the tabular disclosures of NEO compensation and related disclosures that follow.

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Trustmark believes that its executive compensation and compensation practices and policies are reasonable in comparison to its peer group, are focused on pay-for-performance principles, are strongly aligned with the long-term interest of shareholders and are necessary to attract and retain experienced, highly-qualified executives important to Trustmark's long-term success and the enhancement of shareholder value. The Board believes that Trustmark's executive compensation achieves these objectives, and, therefore, recommends that shareholders vote for the proposal.

Because this vote is advisory, it will not be binding on the Board and will not be construed as overruling any decision made by the Board. The Human Resources Committee and the Board will take into account the outcome of this advisory vote when considering future executive compensation arrangements, but they are not required to do so. Pursuant to the vote of Trustmark's shareholders at the 2011 Annual Meeting of Shareholders, Trustmark will conduct an advisory vote to approve executive compensation on an annual basis. The next advisory vote to approve executive compensation will occur at the 2015 Annual Meeting of Shareholders.

**The Board recommends that shareholders vote for this proposal to provide advisory approval of Trustmark's executive compensation.**

## **PROPOSAL 3: RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR**

Trustmark has engaged KPMG as its independent auditor since April 29, 2002, and the Audit and Finance Committee reaffirmed KPMG's engagement as the independent auditor for the fiscal year ending December 31, 2014. The Board recommends that shareholders vote in favor of ratifying the selection of KPMG. If shareholders do not ratify the selection of KPMG, the Audit and Finance Committee will consider a change in independent auditor for the next year.

The Audit and Finance Committee is responsible for approving the compensation paid to KPMG as Trustmark's independent auditor. In order to assure continuing auditor independence, the Audit and Finance Committee periodically considers whether there should be regular rotation of the independent auditing firm. The members of the Audit and Finance Committee and the Board believe that continued retention of KPMG to serve as Trustmark's independent auditor is in the best interest of Trustmark and its shareholders.

Representatives of KPMG are expected to be present at the annual meeting with the opportunity to make a statement, if they desire to do so, and to be available to respond to appropriate questions during the period generally allotted for questions at the meeting.

**The Board recommends that shareholders vote for ratification of the selection of KPMG as Trustmark's independent auditor.**

## **AUDIT AND FINANCE COMMITTEE REPORT**

Trustmark's Audit and Finance Committee, which conducts the usual and necessary activities in connection with the audit functions of Trustmark, held five meetings during 2013. The Committee reviewed and discussed with management and KPMG the consolidated audited financial statements as of and for the three years ended December 31, 2013. The Committee also discussed with KPMG the matters required to be discussed under the auditing standards of the Public Company Accounting Oversight Board (PCAOB), including Auditing Standard No. 16. The Committee received the written disclosures and the letter from KPMG required by the applicable

requirements of the PCAOB regarding the independent auditor's communications with the audit committee concerning independence, and discussed the independence of KPMG. Based on this review, the Committee recommended to the Board that the consolidated audited financial statements be included in Trustmark's Annual Report on Form 10-K for the year ended December 31, 2013.

None of the following members of Trustmark's Audit and Finance Committee serve on the audit committee of another company, and all are independent directors as defined by NASDAQ Listing Rules:

R. Michael Summerford  
(Chairman)

David H. Hoster II

Richard H. Puckett

LeRoy G. Walker, Jr.

The Board has determined that R. Michael Summerford qualifies as a financial expert pursuant to the requirements of the SEC.

**Table of Contents****Principal Accountant Fees**

The following table presents the fees for professional audit services rendered by KPMG for the audit of Trustmark's consolidated financial statements for the fiscal years ended December 31, 2013, and December 31, 2012, and fees billed for other services rendered by KPMG during those periods. All services reflected below for 2013 and 2012 were pre-approved in accordance with the policy of the Audit and Finance Committee. Information related to audit fees for 2013 includes amounts billed through December 31, 2013, and additional amounts estimated to be billed for the 2013 period for audit services rendered.

	<b>2013</b>	<b>2012</b>
Audit Fees (1)	\$825,000	\$730,000
Audit-Related Fees (2)	\$373,129	\$156,491
Tax Fees (3)	---	---
All Other Fees	---	---
	<b>\$1,198,129</b>	<b>\$886,491</b>

(1) Audit fees include fees for professional services in connection with the audit of Trustmark's consolidated financial statements, audit of internal control over financial reporting, review of the interim consolidated financial statements included in quarterly reports and services provided by KPMG in connection with statutory and regulatory filings.

(2) Audit-related fees include fees for professional services in connection with Trustmark's SOC-1 examination, acquisition activity and other various assurance services.

(3) KPMG did not provide tax services to Trustmark in 2013 or 2012.

**Pre-Approval Policy**

The Audit and Finance Committee has adopted a policy that sets forth guidelines and procedures for the pre-approval of services to be performed by the independent auditor, as well as the fees associated with those services. Annually, the Committee reviews and establishes the types of services and fee levels to be provided by the independent auditor. Any additional services or fees in excess of the approved amounts require specific pre-approval by the Committee. The Committee has delegated to its Chairman the authority to evaluate and approve services and fees in the event that pre-approval is required between meetings. If the Chairman grants such approval, he will report that approval to the full Committee at its next meeting. Non-audit services, prohibited by the SEC, are likewise prohibited under the Committee's pre-approval policy.

**RELATED PARTY TRANSACTIONS**

The Bank made a payment of approximately \$275,000 in 2013 to Bloomfield Equities, LLC, for the naming rights to the Mississippi Braves AA Baseball Stadium, known as Trustmark Park. Ninety percent (90%) of Bloomfield Equities, LLC, is owned indirectly by Trustmark director William G. Yates III and his family through Spectrum Capital, LLC, which is owned thirty-three percent (33%) by Mr. Yates III and sixty-seven percent (67%) by his family and a family trust. The dollar value of Mr. Yates III's interest in the transaction was approximately \$81,751. The collective dollar value of this transaction to the Yates family was approximately \$247,500. The Bank expects to make a payment of \$275,000 in 2014 to Bloomfield Equities, LLC, for naming rights to Trustmark Park. The specific

dollar value of Mr. Yates III's interest in the 2014 transaction is not known at this time.

In addition, Trustmark purchased a \$16,000 sponsorship from Spectrum Events, LLC, for college baseball games played at Trustmark Park in 2013 and leased a billboard from Spectrum Advertising, LLC, for \$2,025 per month in 2013. Spectrum Events, LLC and Spectrum Advertising, LLC are wholly owned by Spectrum Capital, LLC. The dollar value of Mr. Yates III's interest in these transactions is approximately \$13,433. The collective dollar value of these transactions to the Yates family is approximately \$40,300. Trustmark expects to pay a \$16,000 sponsorship to Spectrum Events, LLC, for college baseball games played at Trustmark Park in 2014, but will not continue the billboard lease from Spectrum Advertising, LLC in 2014 as a result of the Outlets of Mississippi transaction discussed below.

In addition, Trustmark paid Bloomfield Holdings, LLC \$80,000 for, among other things, exclusive banking rights at the Outlets of Mississippi, which is owned by Bloomfield Holdings, LLC. Ninety percent (90%) of Bloomfield Holdings, LLC is owned indirectly by Spectrum Capital, LLC. The dollar value of Mr. Yates III's interest in the transaction was approximately \$26,667. The collective dollar value of this transaction to the Yates family was approximately \$80,000. Under this arrangement, Trustmark will also pay Bloomfield Holdings, LLC \$80,000 for, among other things, exclusive banking rights at the Outlets of Mississippi in each of 2014 and 2015.

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In addition, in connection with the New Markets Tax Credit Program, in August 2013, the Bank purchased \$4,350,000 of state and federal tax credits for \$2,757,000 through two entities in each of which the Bank holds a 99.99% interest. The federal tax credit, which totaled \$1,950,000, was allocated to this transaction by SCC Sub-CDE 2, LLC (SCC Sub), a subsidiary of Southern Community Capital, LLC (SCC), which in turn was allocated the federal tax credit by SCC, a subsidiary of the Bank. SCC owns 0.01% of SCC Sub, with a managing member distribution for that percentage paid back to SCC on a quarterly basis. Of the Bank's \$2,757,000 investment, \$2,047,040 was ultimately loaned to Bloomfield Holdings, LLC by SCC Sub at an annual interest rate of 1.00% and a term of 30 years, with the remaining \$709,960 being paid for transaction expenses (including \$310,000 being paid to SCC). The dollar value of Mr. Yates, III's interest in the Bank's investment was approximately \$684,659. The collective dollar value to the Yates family of the Bank's investment is approximately \$2,053,977. Additionally, in connection with this transaction, an entity owned by Spectrum Capital, LLC, and unaffiliated with Trustmark loaned approximately \$7.8 million to Bloomfield Holdings, LLC, in which SCC Sub served as an intermediary, with such loan being repaid by Bloomfield Holdings, LLC shortly thereafter. The dollar value of Mr. Yates, III's interest in this transaction was approximately \$2,609,801. The collective dollar value to the Yates family of this transaction is approximately \$7,829,403.

During 2013, W.G. Yates & Sons Construction Company (WGY&S), which is wholly-owned by Mr. Yates III and his family, and for which Mr. Yates III serves as President and CEO, and certain of its wholly-owned subsidiaries paid premiums for employee benefits insurance policies to third party insurance companies. Fisher Brown Bottrell Insurance, Inc. (Fisher Brown Bottrell), a subsidiary of the Bank, received commissions of approximately \$667,033 from such insurance companies for placing these policies. Trustmark believes the premiums and the terms of the insurance policies are no more favorable than could be obtained from a non-related party in an arm's length transaction. Fisher Brown Bottrell continues to serve as insurance agent for these policies for WGY&S in 2014. The dollar value of Mr. Yates III's interest in this transaction is not known at this time.

The Bank has also made loans to directors, executive officers and principal shareholders and their related interests in 2013 and in prior years and continues to do so in 2014. Such loans were made in the course of ordinary business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the Bank, and do not involve more than the normal risk of collectability or present other unfavorable features. Loan transactions with directors, executive officers and principal shareholders and their related interests are approved by the Board as part of the Bank's loan review policy under Regulation O.

Trustmark's Audit and Finance Committee has adopted and manages a written policy with respect to all other related party transactions that governs the review, approval or ratification of covered related party transactions. The policy generally provides that Trustmark may enter into a related party transaction only if the Audit and Finance Committee approves or ratifies such transaction in accordance with the guidelines set forth in the policy and if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party or the transaction involves compensation approved by the Human Resources Committee. A Related Party is (i) an executive officer, director or nominee for director of Trustmark, (ii) a shareholder owning in excess of 5% of Trustmark's outstanding equity securities, (iii) a person who is an immediate family member of someone listed in (i) or (ii), or (iv) any firm, corporation or other entity in which anyone listed in (i) or (ii) is employed or is a general partner or principal or is in a similar position or in which such person has a 5% or greater beneficial ownership interest.

In the event management recommends a related party transaction to the Audit and Finance Committee, the Committee reviews and either approves or disapproves such transaction. At subsequent Committee meetings, as necessary, management updates the Committee as to any material change to a proposed or approved related party transaction. The Committee approves only those related party transactions that are in, or are not inconsistent with, the best interests of Trustmark and its shareholders, as the Committee determines in good faith. The Committee, and/or the Executive Committee in the case of the Bloomfield Holdings, LLC transactions, considered and pre-approved the

2013, 2014 and 2015 payments, as applicable, to Bloomfield Equities, LLC, Spectrum Events, LLC, Spectrum Advertising, LLC, and Bloomfield Holdings, LLC, and, therefore, to Mr. Yates III, as well as the business relationship between Fisher Brown Bottrell and WGY&S and certain of its subsidiaries.



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**PROPOSALS OF SHAREHOLDERS**

Shareholders may submit proposals to be considered at the 2015 Annual Meeting of Shareholders if they do so in accordance with Trustmark's bylaws and applicable regulations of the SEC. In accordance with Trustmark's bylaws as more fully described under "Corporate Governance -- Nomination of Directors" on page 7, any shareholder intending to nominate a candidate for election to the Board at Trustmark's 2015 Annual Meeting of Shareholders must submit notice to the Secretary of Trustmark no earlier than December 17, 2014 and no later than January 16, 2015. Any shareholder intending to propose a matter for consideration at Trustmark's 2015 Annual Meeting of Shareholders (other than a director nomination) must submit such proposal in writing to the Secretary of Trustmark no later than January 31, 2015; however, in order to be considered for inclusion in Trustmark's proxy statement for the 2015 Annual Meeting of Shareholders, the proposal must meet the requirements of SEC Rule 14a-8 and be submitted to the Secretary of Trustmark no later than November 17, 2014. In addition, the proxy solicited by the Board for the 2015 Annual Meeting of Shareholders will confer discretionary authority to vote on any shareholder proposal presented at the meeting if Trustmark has not received notice of such proposal by January 31, 2015.

**AVAILABILITY OF PROXY MATERIALS**

**Important Notice Regarding Internet Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on Tuesday, April 29, 2014:**

This proxy statement, a form of the proxy card and Trustmark's 2013 Annual Report to Shareholders are available at [www.trustmark.com](http://www.trustmark.com) under *Investor Relations/Annual Meeting of Shareholders*.

As permitted by rules adopted by the SEC, Trustmark is furnishing these proxy materials over the Internet to most shareholders. Those shareholders will not receive printed copies of these documents, and instead will receive a Notice of Internet Availability containing instructions on how to access the proxy materials over the Internet. The Notice of Internet Availability also contains instructions on how each of those shareholders can request a printed copy of the proxy materials including this proxy statement, a proxy card and Trustmark's 2013 Annual Report to Shareholders. Shareholders who do not receive a Notice of Internet Availability will receive a printed copy of the proxy materials by mail.

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**VOTE BY INTERNET - [www.proxvvote.com](http://www.proxvvote.com)**

Shareholders may use the Internet to transmit their voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the meeting date. To vote online, have the proxy card in hand, access the website above, and follow the instructions given.

**ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS**

If you would like to reduce the costs incurred by Trustmark Corporation in mailing proxy materials, you can consent to receive all future proxy statements, proxy cards and annual reports electronically via email or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

**VOTE BY MAIL**

Shareholders should mark, sign, and date their proxy card and return it in the postage-paid envelope provided or return it to Trustmark Corporation, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

IF YOU ARE NOT VOTING BY INTERNET, TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: X

M66411-P47526 KEEP THIS PORTION FOR YOUR RECORDS

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. DETACH AND RETURN THIS PORTION ONLY**

<b>TRUSTMARK CORPORATION</b>	<b>For All</b>	<b>Withhold All</b>	<b>For All Except</b>	To withhold authority to vote for any individual nominee(s),  mark For All Except and write the number(s) of the  nominee(s) on the line below.
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**Items of Business**

**The Board of Directors recommends a vote FOR all nominees listed and FOR Proposals 2 and 3:**

.. .. ..

1. Election of Directors - To elect a board of ten directors to hold office for the ensuing year or until their successors are elected and qualified.

**Nominees:**

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- 01) Adolphus B. ~~Baker~~ John M. McCullouch
- 02) Toni D. Cooley ~~7~~ Richard H. Puckett
- 03) Daniel A. ~~Griffin~~ R. Michael Summerford
- 04) Gerard R. ~~Host~~ LeRoy G. Walker, Jr.
- 05) David H. ~~Host~~ William G. Yates III

**For Against Abstain**

- 2. To provide advisory approval of Trustmark's executive compensation. .. .. .
- 3. To ratify the selection of KPMG LLP as Trustmark's independent auditor for the fiscal year ending December 31, 2014. .. .. .
- 4. To transact such other business as may properly come before the meeting.

**Instruction for Cumulative Voting for Directors:** To cumulate votes for directors, do NOT mark For All, Withhold All or For All Except above, but check this box and specify the method of cumulative voting on the reverse side of this card in the section called Cumulative Voting Instructions/Comments by writing the number of shares of Common Stock to be voted for the individual nominee(s) and the number(s) of the nominee(s). Cumulative voting can only be processed by using the proxy card method of voting.

Please indicate if you plan to attend this meeting. .. .. .

**Yes No**

Signature [PLEASE SIGN WITHIN BOX]      Date

Signature (Joint Owners)

Date

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**Important Notice Regarding Internet Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and 2013 Annual Report to Shareholders are available at

[www.trustmark.com](http://www.trustmark.com) under *Investor Relations/Annual Meeting of Shareholders*.

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**TRUSTMARK CORPORATION**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

**ANNUAL MEETING OF SHAREHOLDERS**

**April 29, 2014**

The shareholder(s) hereby appoint(s) Daniel A. Grafton and R. Michael Summerford, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this proxy card, all of the shares of Common Stock of Trustmark Corporation that the shareholder(s) is/are entitled to vote at the annual meeting of shareholders to be held at the Trustmark Conference Center, Mississippi Sports Hall of Fame, 1152 Lakeland Drive, Jackson, Mississippi 39216 on Tuesday, April 29, 2014, at 9:00 a.m. Central Time.

**THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE SHAREHOLDER(S). IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES FOR THE BOARD OF DIRECTORS LISTED ON THE REVERSE SIDE, FOR APPROVAL OF TRUSTMARK S EXECUTIVE COMPENSATION AND FOR RATIFICATION OF THE SELECTION OF KPMG LLP AS INDEPENDENT AUDITOR.**

**PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE OR VOTE BY INTERNET (SEE REVERSE SIDE FOR MORE INFORMATION).**

**Cumulative Voting Instructions/Comments:**

(For any Cumulative Voting Instructions/Comments noted above, please mark corresponding box on the reverse side.)

**CONTINUED AND TO BE SIGNED ON REVERSE SIDE**