



Renasant Corporation
Corporate Policy Statement

Enterprise Risk Management Committee Charter

Sponsoring Department:
Executive Sponsor:
Board Committee:
Committee Approval Date:

Risk Management
Mary John Witt
Enterprise Risk Management
February 12, 2020

Executive Summary of Changes

No suggested changes.

Renasant Corporation
Board Enterprise Risk Management (ERM) Charter

I. Overview of Risk Management Governance

The Board Enterprise Risk Management Committee (the “Committee”) is appointed by the Board of Directors of Renasant Corporation (the “Company”) to ensure that a comprehensive Enterprise Risk Management (“ERM”) system exists to assist senior management in operating the Company in a rapidly changing environment. Such system includes the policies, programs, measures and competencies for identifying, assessing and managing risk. The Committee’s responsibility in this regard is one of oversight and review. The Committee has no duty to assure compliance with laws and regulations or to conduct investigations.

The specific objectives of the Committee include the following:

- Understanding the risk philosophy and concurring with the Company’s risk appetite as outlined by management.
- Determining the extent to which management has established an effective ERM system.
- Considering the Company’s portfolio of risk against the Company’s risk appetite.
- Understanding the most significant risks to the Company and whether management’s response is appropriate.

To meet these objectives, the Committee –

- Reviews, advises and validates the corporate risk appetite and aggregate risk tolerance levels, presented by executive management.
- Oversees the process by which executive management identifies and assesses risks and determines appropriate responses.
- Reviews management’s performance measurement plans and key risk mitigations.

II. Enterprise Risk Management Definition

ERM is defined by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) as a “process, effected by an entity’s board of directors, management, and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.”

III. Governance

The Committee shall annually review and approve this Charter and assess the operating processes associated with the Company’s potential risk related to credit, financial, interest rate, compliance, liquidity, operational, price, reputation, and strategic risk. The

Committee may authorize management to develop and implement any additional detailed policies and procedures relating to risk management as it deems appropriate.

IV. Membership

The Committee shall consist of a minimum of three (3) Company directors, each of whom shall meet the definition of “independent director” as set forth in Rule 5605(a) of the Listing Rules of the NASDAQ Stock Market, LLC. Members of the Committee shall be appointed by the Board’s Nominating and Corporate Governance Committee annually (or until their successors shall be duly qualified and appointed). The Nominating and Corporate Governance Committee may replace or remove one or more members of the Committee and shall fill any vacancies on the Committee.

V. Meetings

The Committee shall meet no less than quarterly or more frequently as it deems necessary. The Committee may request any director, officer or employee of the Company or any other person whose advice and counsel is sought by the Committee to attend any meeting. A majority of Committee directors present either in person or by proxy, shall constitute a quorum at any Committee meeting. The Secretary of the Committee shall keep the minutes of each meeting.

VI. Delegation of Authority

The Committee is delegated the authority to assess the ERM program of the Company and take action to remediate risks when those risks are determined to have a threat to the Company’s safety, soundness, or reputation.

The Committee has authority to commission work projects that address, manage and remediate Company risks. Based on the severity of the risk to the Company, the Committee may recommend to the CEO and Chief Risk Officer that a specific action be considered a high priority and receive immediate resources.

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select and obtain, at the expense of the Company, advice and assistance from internal or external legal, accounting or other experts, consultants or advisers; provided, however, that no single member of the Committee may engage such expert adviser or consultant.

In performing their responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by:

- a. One or more officers or employees of the Company whom the Committee members reasonably believe to be reliable and competent in the matters presented;

- b. Counsel, independent auditors, or other person as to matters which the Committee members reasonably believe to be within the professional or expert competence of such person; and
- c. Other committees of the Board as to matters within its designated authority which the Committee member reasonably believes merit confidence.

In carrying out its oversight responsibilities, each Committee member shall be entitled to rely on the integrity and expertise of those persons providing information to the Committee and on the accuracy and completeness of such information, opinion, report or statement, absent actual knowledge of that such reliance is unwarranted or that such information is inaccurate.

VII. Reporting

The Committee shall report the information derived from its activities to the Board and, where appropriate, its recommendations for action by the Board at their next meeting. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

VIII. Duties and Responsibilities

- (1) The Committee is hereby authorized and directed to assist the Board of Directors in its oversight of
 - (i) the Company's enterprise risk management governance and processes, including the management of credit, financial, interest rate, compliance, liquidity, operational, price, reputation, and strategic risks as well as emerging risks[, at each "line of defense" (namely, front line units, independent risk management and internal audit)];
 - (ii) the adoption and implementation of significant risk and compliance policies;
 - (iii) the Company's Model Risk Program; and
 - (iv) the Company's risk appetite.

In fulfilling these responsibilities, the Committee may:

- a. Review periodically and recommend to the Board the risk appetite parameters to be employed by management in operating the Company;
- b. Receive information on the Company's business practices, policies and procedures related to the risks listed above;
- c. Monitor results to ensure alignment with the Company's risk appetite;
- d. Review period risk and compliance reports from the Chief Risk Officer and the Chief Credit Officer, including reports on major risk exposures and steps taken to monitor, mitigate and control such exposures;

- e. Review with management the Company's procedures and techniques, and approve where appropriate, policies developed and implemented to measure the Company's risk exposure for identifying, evaluating and managing the significant risks which the Company is exposed;
- f. Discuss "market" conditions and trends;
- g. Review periodically with management regulatory correspondence and actions;
- h. Review the Model Risk Program as outlined in the Model Risk Policy.
- i. Approve risk management and model risk policies and recommend approval or ratification of such policies to the Board; and
- j. Review aggregated major risk positions and inter-relationships. The meaning of what constitutes risk positions could vary for different committees. These could range from current non-performing assets for the Loss Management Committee to the earnings at risk given the Bank's balance sheet position for ALCO.
- k. The Committee shall regularly report risk status and any changes that impact the risk appetite of the Company to the Audit Committee to ensure that risk management has been implemented efficiently and effectively according to the approved risk management policy and strategy.

(2) The Committee shall have such other authority, duties and responsibilities as may be delegated to the Committee by the Board.

IX. Performance Evaluation

Periodically, there shall be a performance evaluation of the Committee, which may be a self-evaluation or an evaluation employing such other resources or procedures as the Committee and the Nominating and Corporate Governance Committee may deem appropriate.