

## WESMARK FUNDS

### AUDIT COMMITTEE CHARTER

#### **I. Audit Committee Membership and Qualifications**

The Audit Committee shall consist of at least two (2) members appointed by the Board of Trustees (the “Board”) of the WesMark Funds (the “Trust”). The Board may replace members of the Audit Committee for any reason.

No member of the Audit Committee shall be an “interested person” of the Trust, as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), nor shall any member receive any compensation from the Trust except compensation for service as a member of the Board or a committee of the Board.

All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee shall have accounting or financial expertise. The Board shall make an annual determination that at least one member of the Audit Committee is an “audit committee financial expert” as defined in Item 3 of Form N-CSR.

#### **II. Purposes of the Audit Committee**

The general purpose of the Audit Committee is to provide oversight. It remains the responsibility of the Investment Adviser and Administrator to the Trust and the appropriate officers of the Trust to maintain appropriate systems for accounting and internal controls with respect to the Trust. Additionally, the independent auditors to the Trust retain the responsibility to plan and carry out the audit of the Trust’s financial statements.

The specific purposes of the Audit Committee are:

- (a) to oversee the accounting and financial reporting processes of the Trust and each of its series (“Series”) and its internal control over financial reporting and, as the Committee deems appropriate, to inquire into the internal control over financial reporting of certain third-party service providers;
- (b) to oversee the quality and integrity of the Trust’s financial statements and the independent audit thereof;
- (c) to oversee, or, as appropriate, assist in the Board oversight of, the Trust’s compliance with legal and regulatory requirements that relate to the Trust’s accounting and financial reporting, internal control over financial reporting and independent audits;
- (d) to pre-approve or approve, prior to appointment, the engagement of the Trust’s independent auditors and, in connection therewith, to review and evaluate the qualifications, independence and performance of the Trust’s independent

auditors, including the procurement of an annual representation of such auditors' independence from the Trust; and

- (e) to act as a liaison between the Trust's independent auditors and the full Board.

The independent auditors for the Trust shall report directly to the Audit Committee.

### **III. Duties and Powers of the Audit Committee**

To carry out its purposes, the Audit Committee shall have the following duties and powers:

- (a) to pre-approve or approve, prior to appointment, the engagement of auditors to annually audit and provide their opinion on the Trust's financial statements, to recommend to those Board members who are not "interested persons" of the Trust, as that term is defined in Section 2(a)(19) of the Investment Company Act, the selection, retention or termination of the Trust's independent auditors and, in connection therewith, to review and evaluate matters potentially affecting the independence and capabilities of the auditors;
- (b) to pre-approve or approve, prior to appointment (which appointment may be done on a pre-approval basis in connection with the approvals made in (a) above), the engagement of the auditors to provide other audit services to the Trust or to provide non-audit services to the Trust, its investment adviser or any entity controlling, controlled by, or under common control with, the investment adviser ("adviser affiliate") that provides ongoing services to the Trust, if the engagement relates directly to the operations and financial reporting of the Trust;
- (c) to develop, to the extent deemed appropriate by the Audit Committee, policies and procedures for pre-approval of the engagement of the Trust's auditors to provide any of the services described in (b) above;
- (d) to consider the controls applied by the auditors and any measures taken by management in an effort to assure that all items requiring pre-approval by the Audit Committee are identified and referred to the Committee in a timely fashion;
- (e) to consider whether the non-audit services provided by the Trust's auditors to the Trust's investment adviser or any adviser affiliate that provides ongoing services to the Trust, which services were not pre-approved by the Audit Committee, are compatible with maintaining the auditors' independence;
- (f) to review the arrangements for and scope of the annual audit and any special audits;
- (g) to review and approve the fees proposed to be charged to the Trust by the

auditors for each audit and non-audit service;

- (h) to consider information and comments from the auditors with respect to the Trust's accounting and financial reporting policies, procedures and internal control over financial reporting (including the Trust's critical accounting policies and practices), to consider management's responses to any such comments and to meet with the auditors to discuss any matters of concern relating to the Trust's financial statements, including any adjustments to such statements recommended by the auditors, and to review the auditors' opinion on the Trust's financial statements;
- (i) to resolve disagreements between management and the auditors regarding financial reporting;
- (j) to review with the Trust's principal executive officer and/or principal financial officer in connection with required certifications on Form N-CSR any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any reported evidence of fraud involving management or other employees who have a significant role in the Trust's internal control over financial reporting;
- (k) to serve as a Qualified Legal Compliance Committee ("QLCC") pursuant to Rule 3 of the Standards of Professional Conduct of the U.S. Securities Exchange Commission ("SEC") and in that capacity shall have and exercise the authority and responsibility to:
  - (1) Inform the Trust's chief legal officer, if any, and chief executive officer of any report of evidence of a material violation (except where the attorney reporting such evidence has stated that he or she believes that it would be futile to report such evidence to the Trust's chief legal officer and chief executive officer);
  - (2) Determine whether any investigation is necessary regarding any report of evidence of a material violation by the Trust, its officers, trustees, employees or agents and if it determines an investigation is necessary or appropriate, to:
    - a. Notify the Board;
    - b. Initiate an investigation, which may be conducted either by the chief legal officer of the Trust or by outside attorneys, as the Audit Committee acting in its discretion may determine, which outside attorneys may include counsel to the Trust and independent counsel to the disinterested Trustees; and
    - c. Retain such additional expert personnel as the Audit Committee deems

necessary.

- (3) At the conclusion of any such investigation:
  - a. Recommend that the Trust implement an appropriate response to evidence of a material violation; and
  - b. Inform the chief legal officer and the chief executive officer of the Trust, and the Board, of the results of any such investigation and the appropriate remedial measures to be adopted.
- (4) Take all other appropriate action, including:
  - a. Adoption of any other procedures considered appropriate in its capacity as QLCC, including but not limited to, procedures for the receipt, retention and treatment of complaints received by the Trust relating to accounting, internal accounting controls or auditing matters; and
  - b. Notification of the SEC, if it deems appropriate, in the event the Trust fails in any material respect to implement an appropriate response that the Audit Committee, acting as the QLCC, has recommended the Trust to take.
- (l) to investigate or initiate an investigation of reports of improprieties or suspected improprieties in connection with the Trust's accounting or financial reporting;
- (m) to report its activities to the full Board on a regular basis;
- (n) to perform such other duties and functions and have such powers as may be necessary or appropriate in the efficient and lawful discharge of the purposes, duties and powers provided in this Charter;
- (o) to oversee the Trust's Pricing Committee and to review and approve actions of such Committee in determining the fair value of securities for which market quotations are not readily available;
- (p) to review with the Trust's Chief Compliance Officer reports on the Trust's compliance with applicable policies and procedures of the Trust and its service providers designed to prevent, detect and correct material violations of the federal securities laws; and
- (q) to establish procedures for the receipt, retention and treatment of complaints received by the Fund relating to accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission of concerns about the accounting or auditing matters.

The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, including appropriate funding, as determined by the Committee, for payment of compensation to the auditors for the purpose of conducting the audit and rendering their audit report, the authority to retain and compensate special counsel and other experts or consultants as the Committee deems necessary, and the authority to obtain specialized training for Audit Committee members, at the expense of the Trust or Series, as appropriate. Additionally, to the extent necessary to fulfill its duties, the Audit Committee shall have unrestricted access to the independent auditors of the Trust as well as the officers of the Trust who are responsible for reviewing and certifying the Trust's financial statements.

The Audit Committee may delegate any portion of its authority, including the authority to grant pre-approvals of audit and permitted non-audit services, to one or more of its members. Any decisions of the authorized member to grant pre-approvals shall be presented to the full Audit Committee at its next regularly scheduled meeting.

#### **IV. Role and Responsibilities of the Audit Committee**

The function of the Audit Committee is oversight; it is management's responsibility to maintain appropriate systems for accounting and internal control over financial reporting, and the auditors' responsibility to plan and carry out a proper audit. The Trust's management, among other things, is responsible for: (1) the preparation, presentation and integrity of the Trust's financial statements; (2) the maintenance of appropriate accounting and financial reporting principles and policies; and (3) the maintenance of internal control over financial reporting and other procedures designed to assure compliance with accounting standards and related laws and regulations. The independent auditors are responsible for planning and carrying out an audit consistent with applicable legal and professional standards and the terms of their engagement letter. Nothing in this Charter shall be construed to reduce the responsibilities or liabilities of the Trust's service providers, including the auditors.

Although the Audit Committee is expected to take a detached and questioning approach to the matters that come before it, the review of the Trust's financial statements by the Audit Committee is not an audit, nor does the Committee's review substitute for the responsibilities of the Trust's management for preparing, or the independent auditors for auditing, the financial statements. Members of the Audit Committee are not full-time employees of the Trust and, in serving on this Committee, are not, and do not hold themselves out to be, acting as accountants or auditors. As such, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures.

In discharging their duties, the members of the Audit Committee are entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (1) one or more officers or directors of the Trust whom the member reasonably believes to be reliable and competent in the matters presented; and (2) legal counsel, public accountants or other persons as to matters the trustee reasonably believes are within the person's professional or expert competence.

**V. Operations of the Audit Committee**

- (a) The Audit Committee shall meet on a regular basis and at least two (2) times annually and is empowered to hold special meetings as circumstances require. The chair or a majority of the members shall be authorized to call a meeting of the Audit Committee and send notice thereof;
- (b) The Audit Committee may meet in person or telephonically, and the Committee may act by written consent, to the extent permitted by law and by the Trust's bylaws;
- (c) The Audit Committee shall have the authority to meet privately and to admit non-members individually by invitation;
- (d) The Audit Committee shall regularly meet, in separate executive sessions, with representatives of the Trust management and independent auditors and may meet with such other persons as the Committee deems appropriate;
- (e) The Audit Committee shall prepare and retain minutes of its meetings and appropriate documentation of decisions made outside of meetings by delegated authority;
- (f) The Audit Committee may select one of its members to be the chair and may select a vice chair;
- (g) A majority of the members of the Audit Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The action of a majority of the members of the Audit Committee present at a meeting at which a quorum is present shall be the action of the Committee; and
- (h) The Board shall adopt and approve this Charter and may amend it on the Board's own motion. The Audit Committee shall review this Charter at least annually and recommend to the full Board any changes the Committee deems appropriate.

**Revised: May 6, 2009**

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