

**STATE STREET CORPORATION
EXECUTIVE COMPENSATION
COMMITTEE CHARTER**

Purpose

The Executive Compensation Committee (the “Committee”) is appointed by the Board of Directors to have direct responsibility, as described in this charter, for the director and officer compensation plans, policies and programs of the Corporation.

The Committee is also responsible for producing an annual report on executive officer compensation for inclusion in the Corporation’s proxy statement.

Committee Membership and Qualifications

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence requirements of the New York Stock Exchange.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. Committee members may be replaced by the Board.

Committee Authority and Responsibilities

1. The Committee shall have sole authority to retain and terminate a compensation consultant to be used to assist it in the evaluation of director, CEO or senior executive compensation and shall have sole authority to approve the consultant’s fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
2. The Committee shall annually, in consultation with other sources, including but not limited to the Board of Directors, review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and objectives, and together with the other independent directors, determine and approve the CEO’s compensation level based in part on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee, together with the other independent directors, shall consider the Company’s performance and relative stockholder returns, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company’s CEO.
3. The Committee shall annually review, evaluate and advise the Board with respect to an assessment of management’s performance and the total compensation of all senior executives (Executive Vice President level and above), including under

incentive-compensation plans which are subject to Board approval and equity-based plans.

- The Committee shall annually review, evaluate and advise the Board with respect to, for the CEO and the senior executives of the Corporation, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits.
4. The Committee shall annually, in consultation with other sources, including but not limited to the Board of Directors, review the form and amount of director compensation, and shall recommend such compensation for the succeeding year to the Board of Directors. In recommending directors' compensation, the Committee shall consider, among other things, the appropriateness of the payment of directors' compensation in whole or in part in stock, the Company's performance and relative stockholder returns, compensation of directors at comparable companies, and the compensation paid to directors in past years.
 5. The Committee shall review, evaluate and approve annual incentive plans which are subject to Board approval and equity-based plans and awards made thereunder.
 6. The Committee may form and delegate authority to subcommittees when appropriate.
 7. The Committee shall make regular reports to the Board.
 8. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall perform an annual evaluation of the Committee's performance.