

Compensation Committee Charter

STATEMENT OF POLICY

The Compensation Committee of Webster Financial Corporation (the “Corporation”) shall be a committee of independent directors and also shall serve as the Compensation Committee of the Corporation’s subsidiary, Webster Bank, National Association (the “Bank”).

The Compensation Committee reviews on an annual basis and makes recommendations to the non-employee members of the Board of Directors: wage and salary programs, employee benefit programs, incentive compensation and other bonus plans and compensation policies; performance criteria and compensation for the executive officers of the Corporation and the Bank; and equity-based compensation plans and other long-term incentive programs for directors and employees. The Committee approves policies on equal employment opportunity and other human resources policies. All such recommendations of the Compensation Committee regarding the compensation and long-term incentive awards of executive officers are subject to approval by the non-employee members of the Board of Directors, which has ultimate responsibility over such matters.

The Compensation Committee shall prepare the report on executive compensation required by the rules of the Securities and Exchange Commission to be included in the Corporation’s annual meeting proxy statement.

Composition

The Compensation Committee shall comprise no fewer than three directors as determined by the Board of Directors of the Corporation. The members of the Compensation Committee shall meet the independence requirements of the New York Stock Exchange (NYSE) and any standards of independence as may be prescribed for purposes of any federal securities, tax or other laws relating to the Committee’s duties and responsibilities.

The Committee may delegate to its Chair such power and authority as the Committee deems appropriate, except such powers and authorities required by law to be exercised by the whole Committee or by a subcommittee of at least two members.

The members of the Compensation Committee, and its Chair, shall be elected by the Board of Directors at its annual organizational meeting, may be removed and replaced by the Board of Directors, and shall serve until their successors are duly elected and qualified.

Practices

In carrying out its responsibilities, the Compensation Committee will adopt practices which will enable the Committee to best react to changing conditions and to ensure that the Committee’s actions are sound and remain consistent with any legal, regulatory or NYSE requirements.

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

- One or more officers or employees of the Corporation or the Bank whom the Committee member reasonably believes to be reliable and competent in the matters presented;

- Counsel, independent auditors, or other persons as to matters which the Committee member reasonably believes to be within the professional or expert competence of such person; or
- Another committee of the Board as to matters within its designated authority which committee the Committee members reasonably believes to merit confidence.

The Compensation Committee shall:

1. Review Talent Management process to ensure that there is a pool of qualified candidates to fill future leadership positions. Assist the Board in developing and evaluating potential candidates for executive positions, including the chief executive officer and president.
2. Annually review for the Chief Executive Officer (CEO) and the executive officers of the Corporation, (a) annual base salary, (b) annual bonus arrangements, if any, (c) any long-term incentive compensation, (d) any employment agreements, severance arrangements, and change in control and similar agreements/provisions, and, any amendments, supplements or waivers to the foregoing agreements, in each case as, when and if deemed necessary and (e) any perquisites, special or supplemental benefits.
3. Review and report to the non-employee members of the Board as to the performance evaluation of the CEO on at least an annual basis. As part of this review, the Compensation Committee shall review and recommend corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and make recommendations as to the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of CEO compensation, the Compensation Committee will consider the Corporation's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the CEO in past years and such other matters as it deems relevant.
4. Review with the CEO and the head of Human Resources all material criteria used in evaluating officer performance throughout the organization and in establishing appropriate compensation, retention, incentive, severance and benefit policies and programs.
5. Have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of executive compensation, and to retain outside counsel and any other advisors as the Committee may deem appropriate, without seeking Board approval, for any matters related to the discharge of the duties and responsibilities assigned to the Committee. As determined by the Committee, the Corporation shall provide appropriate funding for payment of compensation to any such search firm or advisors.
6. Review and assess on a periodic basis the Corporation's guidelines regarding employee stock ownership.

7. Report its actions and recommendations to the Board at the next regularly scheduled meeting of the Board after each Committee meeting.
8. Conduct and present to the Board an annual performance evaluation of the Committee.
9. Review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.
10. To the extent appropriate or necessary to comply with any federal securities or tax law requirements, such as Rule 16b-3 of the Securities Exchange Act of 1934, as amended or Section 162(m) of the Internal Revenue Code of 1986, the Board may delegate exclusive authority to the Compensation Committee to approve or ratify elements of compensation of executive officers as and when such authority is delegated to the Compensation Committee by the Board.