

**WEBSTER FINANCIAL CORPORATION  
WEBSTER BANK, N.A.  
AND  
THEIR SUBSIDIARIES AND AFFILIATES  
(Collectively "Webster")  
Corporate Governance Policy**

## **I. Policy**

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### **Introduction**

The Board of Directors of Webster Financial Corporation has adopted this Corporate Governance Policy. The policy includes the role and composition of the Board of Directors, information regarding meetings of the Board of Directors, committees of the Board of Directors, and a requirement that the Policy be reviewed annually by the Nominating and Corporate Governance Committee.

### **Role and Composition of the Board of Directors**

1. The Board of Directors of Webster Financial Corporation (the "Corporation") is the ultimate decision-making body of the Corporation, except with respect to those matters reserved to the shareholders. The Board selects the Chief Executive Officer and approves the hiring and compensation of the senior management team, which along with the officers and other employees, is charged with the conduct of the Corporation's business. The board is responsible for the oversight of the senior management team, and acts as an advisor and counselor to senior management. The Board also monitors senior management's performance.

2. A majority of the Corporation's Board shall be independent of management, in fact and appearance, as determined by the Board. In assessing independence, the Board shall make an affirmative determination that the director satisfies the standard for an "independent director" as set forth by the New York Stock Exchange. It is the policy of the Corporation that the number of directors not exceed a number that can function efficiently as a body. The Nominating and Corporate Governance Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board and frequency of meetings. The Nominating and Corporate Governance Committee identifies director candidates, reviews the qualifications and experience of each person considered as a nominee for election or reelection as a director in accordance with the Board's Qualification Guidelines for Board Members, and recommends director nominees to fill vacancies on the Board and for approval by the Board and the shareholders. The Board shall meet all qualification standards of the New York Stock Exchange.

3. Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. It is understood that if a director has a significant change in his/her principal employment or occupation, has a material change in his/her employment responsibilities or a change in title, changes employer or occupation, or is unable to attend at least seventy-five percent of the regular board meetings and meetings of committees on which they serve in a given year, the director shall offer to resign. The Nominating and Corporate Governance Committee shall take such offer under consideration and shall make a recommendation to the Board. Any director who is convicted of a violation of any law, rule, or regulation (other than a minor traffic violation or similar offense), or shall otherwise engage in an activity that brings disrepute to the Corporation, shall offer to resign from the Board. Any employee director whose employment is terminated by the Corporation and/or its subsidiaries shall immediately tender his or her resignation from the Board.

4. The Chief Executive Officer, Chief Financial Officer, and the Corporate Secretary shall conduct orientation sessions with new directors, and shall meet with new directors prior to their first board meeting and review Webster's Director Guidelines. Sessions will be scheduled for new directors with business leaders and functional leaders during the first year of board service. These orientation sessions shall include, inter alia, a review of the role of the Board of Directors, pertinent regulatory guidelines on oversight of the Board, the Code of Business Conduct and Ethics, bylaws of the Corporation and the Bank, the Board Members Manual, and the Corporation's annual report, Form 10-K, and most recent annual meeting proxy statement. The General Auditor conducts a similar meeting with new members of the Audit Committee. On an ongoing basis, the Board shall be kept apprised by management and the Chairman of the Board of appropriate educational programs on corporate governance and fiduciary duties and responsibilities. Management and the Chairman of the Board shall also periodically provide directors with relevant and appropriate information and materials on corporate governance and practices and fiduciary duty matters.

5. The Board of Directors will determine whether the roles of Chairman and Chief Executive Officer should be held by the same person by reviewing the skills and experience of the person or persons being considered for the positions.

6. It is the policy of the Corporation that management is responsible for the Corporation's public comments. When public comments from the Board are appropriate, in most instances they come from the Chairman. The Board deliberates as a group and acts as a single entity. From time to time management may request that an individual director communicate with various constituents of the Corporation in furtherance of the Corporation's policy of open communication with institutional investors, other shareholders, the press and interested public.

### **Meetings of the Board of Directors**

1. The Chairman of the Board sets the agenda for Board meetings with the understanding that items pertinent to the advisory, monitoring and approval functions of the Board be presented in a timely fashion for review and/or decision. Any member of the Board may request that an item be included on the agenda. Any member of the Board may raise at any Board meeting subjects that are not on the agenda for that meeting.

2. Board materials related to agenda items are delivered to directors sufficiently in advance of the scheduled board meeting to allow the directors to prepare for discussion of the items at the meeting. Additional material is included in the directors' folders at the meeting, when appropriate.

3. Members of executive management attend Board meetings or portions thereof for the purpose of making presentations, responding to directors' questions, and participating in discussions. Generally, presentations of matters to be considered by the Board are made by the manager responsible for that area of the Corporation's operations.

4. The independent directors will meet periodically, but at least two times a year, in executive session. The Board of Directors shall appoint an independent director to serve as the lead director (also referred to as Lead Independent Director) of the Board of Directors for a one-year term, or until a successor is appointed. .

### **Duties of the Lead Director**

#### **1. Board Leadership**

- Presiding at all meetings of the Board at which the Chairman is not present, including at executive sessions of the independent directors
- Calling meetings of the independent directors, as appropriate
- Providing Board leadership if the CEO/Chairman's role may be (or may be perceived to be) in conflict

#### **2. Board Culture**

- Serving as a liaison between the CEO and the independent directors

- Establishing a close relationship and trust with the CEO, providing support, advice and feedback from the Board while respecting executive responsibility
- Acting as a “sounding board” and advisor to the CEO

### **3. Board Focus**

- *Board Focus:* In consultation with the Board and executive management, ensuring that the Board focuses on key issues and tasks facing the Company and on topics of interest to the Board
- *Corporate Governance:* Assisting the Board, the Nominating and Corporate Governance Committee and management in complying with this policy and promoting corporate governance best practices
- *CEO Performance Review and Succession Planning:* Working with the Nominating and Corporate Governance Committee, the Compensation Committee and members of the Board, contributing to the annual performance review of the CEO and participating in CEO succession planning

### **4. Board Meetings**

- In coordination with the CEO and the other members of our Board, planning, reviewing and approving meeting agendas for the Board
- In coordination with the CEO and the other members of the Board, approving meeting schedules to assure that there is sufficient time for discussion of all agenda items
- Advising the CEO of the information needs of the Board and approving information sent to our Board
- Developing topics of discussion for executive sessions of the Board

### **5. Board Performance and Development**

- *Board Performance:* Together with the CEO and the other members of the Board, ensuring the efficient and effective performance and functioning of the Board
- *Board Assessment:* Consulting with the Nominating and Corporate Governance Committee on the Board’s annual self-assessment
- *Director Development:* Providing guidance on the ongoing development of directors
- *Director Assessment/Nomination:* With the Nominating and Corporate Governance Committee and the CEO, consulting in the identification and evaluation of director candidates’ qualifications (including candidates recommended by directors, management, third party search firms and shareholders) and consulting on committee membership and committee chairs

### **6. Communication with Primary Bank Regulators**

- Presiding over the independent directors’ annual meetings with Webster’s primary bank regulators to discuss the appropriateness of our Board’s oversight of management and the Company

## **Committees of the Board of Directors**

1. The Board has established five standing committees. The standing committees are the Executive Committee, the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, and the Risk Committee. Each of the standing committees has its own charter. The Board may establish such other committees to assist it in carrying out its duties as it deems appropriate or desirable.

2. All of the members of the Audit, Compensation, and Nominating and Corporate Governance Committees will be independent directors under the criteria established by the New York Stock Exchange, and will meet such other criteria as may be provided in the charter of each respective committee.

3. The Nominating and Corporate Governance Committee annually reviews the charters of each of the committees, and makes recommendations to the Board with respect to the roles and responsibilities of the committees of the boards, the appointment of committee members and chairs, and the performance criteria for directors. The Nominating and Corporate Governance Committee will oversee the self-evaluation process to be used by the Board and by each committee of the Board to determine their effectiveness and opportunities for improvement.

4. The Chair of each of the committees, with the assistance of appropriate members of management, develops the committee's agenda.

5. Materials related to agenda items are delivered to committee members sufficiently in advance of the scheduled committee meeting to allow the members to prepare for discussion of the items at the meeting. Additional material is included in the committee members' folders at the meeting, when appropriate.

6. The Board and each committee have complete access to the Corporation's legal, financial, and other advisors, and have the power to hire, at the expense of the Corporation, independent legal, financial and other advisors, as they may deem necessary or desirable.

### **Board Compensation**

The Board, upon the recommendation of the Compensation Committee, will establish the form and amount of compensation paid to Board members. Board members who are also employees of the Corporation receive no additional compensation for serving on the Board of Directors. The Compensation Committee will conduct an annual review of Board compensation, which may include information obtained from one or more third-party reports or surveys in order to compare the Corporation's Board compensation practices with those of other public companies of comparable size. In making its recommendation to the Board, the Compensation Committee will consult with the Nominating and Corporate Governance Committee to ensure that director independence will not be jeopardized by exceeding appropriate compensation levels, by the Corporation making substantial charitable contributions to organizations with which a Board member is affiliated, or by the Corporation entering into material consulting arrangements with (or providing other indirect forms of compensation to) a Board member or an organization with which a Board member is affiliated.

### **Performance Evaluation; Succession Planning**

1. The Chair of the Compensation Committee leads the independent directors in conducting a review at least annually of the performance of the Chief Executive Officer and communicates the results of the review to the Chief Executive Officer. The independent directors establish the evaluation process and determine the specific criteria on which the performance of the Chief Executive Officer is evaluated.

2. The Board works with the Chief Executive Officer to plan for Chief Executive Officer succession. The Nominating and Corporate Governance Committee works with the Chief Executive Officer to develop plans for interim succession for the Chief Executive Officer in the event of an unexpected occurrence.

### **Periodic Review**

The Nominating and Corporate Governance Committee on an annual basis shall review the Corporate Governance Policy, and the Committee shall make recommendations to the Board with respect to any amendments to the Policy.

The Board and each of its committees shall perform annual self-assessments and performance evaluations.