



## Executive Stock Ownership Guidelines

Webster endorses the position that stock ownership by management is beneficial in aligning the interests of management and shareholders. Executive Stock Ownership Guidelines are established to enhance shareholder value and focus each executive's attention on the long-term success of the company.

### Participation and Guidelines

Webster's Executive Stock Ownership Guidelines apply to the following senior managers. Individual guidelines are established for each participant and represented as a multiple of base salary:

Multiple	Position
6X	Chairman, President and Chief Executive Officer
3X	CFO and Executive Vice Presidents on the Operating Management Committee
2X	Other Executive Vice Presidents (not members of the Operating Management Committee)
1X	Group Senior Vice Presidents

### Counting Shares Owned

Stock that counts towards satisfaction of Webster's Executive Stock Ownership Guidelines includes:

- Shares owned outright by the executive or his or her immediate family members;
- 100% of unvested Restricted Stock;
- 50% of unearned Performance Shares;
- Shares held in Webster's 401(k) Retirement Savings Plan;
- Shares held in Webster's Employee Stock Purchase Plan;
- Shares held in trust. (Due to the complexities of trust accounts, requests to include shares held in trust must be submitted in writing to Chief Human Resources Officer. The Chief Human Resources Officer will review the request with the Chief Executive Officer and will make the final decision.)

For SVPs, equity awards that are granted at time of hire for the purposes of compensating an employee for unvested equity lost from their prior employer will not be subject Executive Stock Ownership Guidelines.

### Compliance with the Guidelines

There is no mandatory deadline to meet the Guidelines. However, there is an expectation that an executive will meet their stock ownership guideline within a 5 year period.

Until the guideline is achieved, executives and senior managers covered under this policy are required to retain 100% of net vested restricted stock and net shares delivered after exercising stock options. Net shares refer to those that remain after shares are sold or netted to pay the exercise price of stock options and withholding taxes.

Once achieved, ownership of the guideline amount must be maintained for as long as the individual is subject to the Executive Stock Ownership Guidelines. If an executive's ownership subsequently falls below the guideline, the retention requirement will be reinstated.

In addition, both before and after ownership guidelines are met, the Chairman, President & CEO, the CFO and Executive Vice Presidents on the Operating Management Committee must continue to hold all net vested restricted stock and net shares delivered after exercising stock options for a minimum of one year. This holding period will remain in effect if the executive voluntarily terminates from the company (with the exception of Normal Retirement, as defined in the Pension Plan).

Transferability of stock options does not exempt the executive from the ownership guidelines. The executive will be subject to the same retention requirement until the ownership guideline is achieved.

### **Reporting**

Executives will receive an annual report as to compliance with their Stock Ownership Guideline. In addition, any executive who has satisfied their Stock Ownership Guideline must immediately notify the Human Resources Department if at any subsequent time his or her ownership of Webster stock falls below the guideline.

### **Hardship**

There may be instances in which the Stock Ownership Guidelines would place a hardship on the executive. It is expected that these instances will be rare but consideration may be given for situations such as: complying with a court order, the payment of unreimbursed medical expenses for the executive's immediate family; the purchase of a principal residence; the payment of tuition, related educational fees and room and board for the executive's immediate family; or to prevent foreclosure or eviction from the executive's principal residence.

In these instances, the executive must submit a request in writing to the Chief Human Resources Officer that summarizes the circumstances and describes the extent to which an exemption from the Stock Ownership Guidelines is being requested. This request must include the reason for the exclusion, current status with respect to the Stock Ownership Guidelines and a description of the stock transactions for which the exclusion is being requested. The Chief Human Resources Officer will make the final decision in consultation with the Chief Executive Officer. All approved exceptions will be reported to the Compensation Committee.

If the request is granted in whole or in part, the Chief Human Resources Officer will, in consultation with the executive, develop an alternative stock ownership plan that reflects both the intention of these Executive Stock Ownership Guidelines and the executive's individual circumstances.

### **Consequences for not Meeting Stock Ownership Guidelines**

To further enforce our stock ownership guidelines, Webster will consider the following courses of action for any individual, depending on the magnitude of the situation, if guidelines are not met:

- Reduce LTI award amounts until guidelines are met
- Mandatorily pay / defer cash compensation (i.e., salary, bonus) into stock until guidelines are met

The Chief Human Resources Officer will review each case with the Chief Executive Officer to determine the appropriate course of action. It may be the case, that in the unlikely event an executive is not making reasonable efforts to ensure he or she is meeting the guidelines, that termination of employment could be recommended.

The Compensation Committee will be advised of any of the above recommended actions.

**Administration**

The Executive Stock Ownership Guidelines are administered and interpreted by the Human Resources Department of Webster Bank.