

## **Compensation Committee Charter**

### **Purpose**

The purpose of the Compensation Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Webster Financial Corporation (the “Corporation”) by discharging the Board’s responsibilities, and making recommendations to the Board, relating to the compensation and benefit policies, plans and programs for the Corporation’s executive officers designated as members of the Operating Management Committee (the “OMC”), including the Corporation’s Chief Executive Officer (the “CEO”). In addition, the Committee is responsible for preparing an annual report on executive compensation for inclusion in the proxy statement in accordance with applicable regulations.

### **Composition of the Committee**

The Committee shall be composed of at least three independent directors and also shall serve as the Compensation Committee of the Corporation’s subsidiary, Webster Bank, National Association (the “Bank”). The members shall be appointed and replaced by the Board and shall meet the independence requirements of the New York Stock Exchange and any standards of independence as may be prescribed for purposes of any other required applicable laws, including, without limitation, the standards prescribed in Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).

### **Authority and Operations**

The Committee may delegate to its Chair or any member of the Committee 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 Committee may form and delegate power and authority as it deems appropriate to subcommittees.

The Committee shall meet at least three times a year. Additional meetings may occur as the Committee or its Chair deems advisable. The Committee shall meet periodically in executive session without Corporation management present. The Committee shall cause to be kept adequate minutes of its proceedings, and shall report on its actions and activities at the next regularly scheduled meeting of the Board. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain and terminate compensation consultants, independent legal counsel or other advisors (“Compensation Advisors”), as it deems appropriate, after considering all factors relevant to the Compensation Advisor’s independence, including the factors specified by applicable NYSE listing standards. The Committee shall have sole authority to approve the fees and other retention terms for such Compensation Advisors, and oversee their work. Any communications between the Committee and legal counsel in the course of obtaining legal advice shall be considered privileged communications of the Corporation and the Committee shall take all necessary steps to preserve the privileged nature of those communications.

## Practices

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;
- Another committee of the Board as to matters within its designated authority which committee the Committee members reasonably believes to merit confidence.

## Duties and Responsibilities

For each of the following the Committee shall:

### 1. CEO

- a. Annually review and make recommendations to the Board regarding the base salary of the CEO for the subsequent year.
- b. Make annual recommendations to the Board regarding the content of the annual performance evaluation for the CEO. The Committee's assessment of CEO performance is presented for full Board review by the Chair of the Committee and the Chairman or Lead Director. The final assessment is then reviewed with the CEO by the Chairman or Lead Director.
- c. Annually determine and approve short-term incentive awards to the CEO.
- d. Annually determine and approve long-term equity awards to the CEO.
- e. Make recommendations to the Board regarding compensation and retention awards for any newly hired CEO or any employee promoted into the CEO position.
- f. Make recommendation to the Board regarding any severance, change-in-control agreements and non-compete agreements for the CEO.

### 2. Members of the OMC (other than the CEO)

- a. Annually determine and approve base salaries.
- b. Review annual performance evaluations.
- c. Annually determine and approve short-term incentive awards.
- d. Annually determine and approve long-term incentive equity awards.
- e. Review and approve any severance, change-in-control agreements, non compete agreements or non solicitation agreements as applicable.
- f. For the periods in between committee meetings, authority for compensation decisions for new OMC members is designated to the CEO in consultation with the Chairman of the Compensation Committee. Such actions will be reported at the next regular meeting of the Committee.

### 3. Incentive and other Compensation Plans

- a. Review and approve long-term incentive equity awards to senior officers, except as otherwise delegated to the CEO by the Board.
- b. Approve the Corporation's annual short-term incentive plan including, but not limited to establishing performance target goals and determining whether such performance target goals have been achieved following the completion of the relevant plan year.
- c. Make recommendations to the Board, as appropriate, with respect to the adoption of or the amendment of the Corporation's long-term (equity-based) incentive plans, retirement and welfare benefit plans and any other employee benefit plans of the Corporation that have not been delegated to another authority.

- d. Provide oversight to the short-term incentive compensation programs to ensure:
  - Appropriate balance between risk taking and financial goals in a manner that does not encourage employees to expose the organization to imprudent or excessive risk.
  - Consistency with the bank safety and soundness practices.
  - Appropriate governance within the management structure with regards to review, approval and administration of all plans.
- e. Conduct a risk-assessment of all incentive plans of the Corporation at least annually to determine the level and type of risk involved in each program.
- f. Review risk considerations for financial incentives for each OMC member, including the CRO's annual assessment summary, and adjust awards (including application of Meaningful Consequences) where appropriate.

#### 4. Succession Planning

- a. Review the Talent Management and Succession Planning processes to ensure that there is a pool of qualified candidates to fill future OMC positions; assist the Board in developing and evaluating potential candidates for these executive positions.
- b. Review the Learning and Development strategy and provide updates on key activities and programs.

#### 5. Other

- a. Review at least annually the compensation philosophy for the Corporation with respect to salaries and other compensation of members of the OMC which considers business and financial objectives, compensation provided by comparable companies and/or such other information as may be deemed appropriate, and make such changes to the compensation philosophy as deemed necessary or desirable.
- b. Review and discuss the Corporation's Compensation Discussion and Analysis (the "CD&A") prepared by management and recommend approval to the Board for inclusion in the annual proxy statement.
- c. Review the compensation for outside, non employee directors, and make recommendations to the Board on an annual basis.
- d. Review and approve on a periodic basis the Corporation's guidelines regarding employee stock ownership.
- e. Conduct and present to the Board an annual performance evaluation of the Committee.
- f. Review periodically the adequacy of this charter and recommend any proposed changes to the Board for approval.
- g. Review and assess periodically the performance of any compensation consultant engaged by the Committee.
- h. Engage in such other duties, responsibilities and activities as may be set forth in this Charter or directed by the Board.