WEBSTER FINANCIAL CORP
Form PRE 14A
March 04, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

¨ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

Webster Financial Corporation

(Exact Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

March 18, 2016

To the Shareholders of

Webster Financial Corporation:

You are cordially invited to attend the Webster Financial Corporation Annual Meeting of Shareholders to be held on Thursday, April 28, 2016 at 4:00 p.m., Eastern Time, at the Mattatuck Museum, 144 West Main Street, Waterbury, Connecticut 06702.

At the Annual Meeting, you will be asked: (i) to elect ten directors to serve for one-year terms; (ii) to approve, on a non-binding, advisory basis, the compensation of the named executive officers of Webster; (iii) to ratify the appointment of KPMG LLP as the independent registered public accounting firm of Webster for the year ending December 31, 2016; (iv) to approve the amendment and restatement of the 1992 Stock Option Plan and re-approve the material terms for payment of performance-based compensation under the 1992 Stock Option Plan, and (v) to approve an amendment to the Company s Third Amended and Restated Certificate of Incorporation, to provide that the Company s shareholders may remove any director from office, with or without cause; and (vi) to transact any other business that properly comes before the Annual Meeting or any adjournments of the meeting.

We encourage you to read the accompanying Proxy Statement, which provides information regarding Webster and the matters to be voted on at the Annual Meeting. Also enclosed is our 2015 Annual Report.

It is important that your shares be represented at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, you may vote your common shares via a toll-free telephone number or on the Internet or you may complete, date, sign and return the enclosed proxy card in the enclosed postage-paid envelope. If you attend the meeting and prefer to vote in person, you may do so.

Sincerely,

James C. Smith
Chairman and Chief Executive Officer

WEBSTER FINANCIAL CORPORATION

Webster Plaza

145 Bank Street

Waterbury, Connecticut 06702

800-325-2424

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 28, 2016

To the Shareholders of

Webster Financial Corporation:

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders (the Annual Meeting) of Webster Financial Corporation (Webster) will be held on Thursday, April 28, 2016 at 4:00 p.m., Eastern Time, at the Mattatuck Museum, 144 West Main Street, Waterbury, Connecticut 06702, for the following purposes:

1. *Election of Directors* - To elect ten directors to serve for one-year terms (Proposal 1);

2. *Say on Pay* - To approve, on a non-binding, advisory basis, the compensation of the named executive officers of Webster (Proposal 2);

3. *Ratification of Appointment of Independent Registered Public Accounting Firm* - To ratify the appointment by the Board of Directors of KPMG LLP as the independent registered public accounting firm of Webster for the year ending December 31, 2016 (Proposal 3);

4. *Amendment of 1992 Stock Option Plan* - To approve the amendment and restatement of the 1992 Stock Option Plan and re-approve the material terms for payment of performance-based compensation under the 1992 Stock Option Plan (Proposal 4);

5. *Shareholder s Ability to Remove Directors With or Without Cause* - To approve an amendment to the Company s Third Amended and Restated Certificate of Incorporation, to provide that the Company s shareholders may remove any director from office, with or without cause (Proposal 5); and

6. *Other Business* - To transact any other business that properly comes before the Annual Meeting or any adjournments thereof, in accordance with the determination of a majority of Webster s Board of Directors.

The Board of Directors has fixed the close of business on February 29, 2016 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. Only shareholders of record at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting or any adjournments thereof.

By order of the Board of Directors,

James C. Smith
Chairman and Chief Executive Officer

Waterbury, Connecticut

March 18, 2016

IT IS IMPORTANT THAT YOU VOTE PROMPTLY. THEREFORE, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE YOUR COMMON SHARES VIA THE TOLL-FREE TELEPHONE NUMBER LISTED ON THE PROXY CARD, THE INTERNET OR BY MAIL.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on April 28, 2016: This Proxy Statement, along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and our 2015 Annual Report, are available free of charge on the Investor Relations section of our website (www.wbst.com).

WEBSTER FINANCIAL CORPORATION

Webster Plaza

145 Bank Street

Waterbury, Connecticut 06702

800-325-2424

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 28, 2016

Solicitation, Voting and Revocability of Proxies

This Proxy Statement (the Proxy Statement) is being furnished to the shareholders of Webster Financial Corporation, a Delaware corporation (Webster or the Company or the Corporation), as part of the solicitation of proxies by its Board of Directors from holders of its outstanding shares of Common Stock, par value $.01 per share (the Common Stock), for use at the Annual Meeting of Shareholders of Webster to be held on Thursday, April 28, 2016 at 4:00 p.m., Eastern Time, at the Mattatuck Museum, 144 West Main Street, Waterbury, Connecticut 06702 (the Annual Meeting) and at any adjournments thereof. The Proxy Statement, together with the enclosed proxy card, is being mailed to shareholders of Webster on or about March 18, 2016.

The Annual Meeting has been called for the following purposes:

1. To elect ten directors to serve for one-year terms (Proposal 1);

2. To approve, on a non-binding, advisory basis, the compensation of the named executive officers of Webster (Proposal 2);

3. To ratify the appointment by the Board of Directors of the firm of KPMG LLP as the independent registered public accounting firm of Webster for the year ending December 31, 2016 (Proposal 3);

4. To approve the amendment and restatement of the 1992 Stock Option Plan and re-approve the material terms for payment of performance-based compensation under the 1992 Stock Option Plan (Proposal 4);

5. To approve an amendment to the Company s Third Amended and Restated Certificate of Incorporation, to provide that the Company s shareholders may remove any director from office, with or without cause (Proposal 5); and

6. To transact any other business that properly comes before the Annual Meeting or any adjournments thereof.

If you vote using the enclosed proxy card, your shares will be voted in accordance with the instructions indicated. **Executed but unmarked proxies will be voted:**

1. FOR the election of the Board s nominees as directors;

2. FOR the approval, on a non-binding, advisory basis, of the compensation of the named executive officers of Webster;

3. FOR the ratification of the appointment of Webster s independent registered public accounting firm;

4. FOR the approval of the amendment and restatement of the 1992 Stock Option Plan and re-approve the material terms for payment of performance-based compensation under the 1992 Stock Option Plan; and

5. FOR the approval of an amendment to the Company s Third Amended and Restated Certificate of Incorporation, to provide that the Company s shareholders may remove any director from office, with or without cause.

Except for procedural matters incident to the conduct of the Annual Meeting, the Board of Directors does not know of any matters other than those described in the Notice of Annual Meeting that are to come before the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the persons named in the proxy will vote the shares represented by such proxy on such matters as determined by a majority of the Board of Directors. The proxies confer discretionary authority to vote on any matter of which Webster did not have notice at least 30 days prior to the date of the Annual Meeting.

The presence of a shareholder at the Annual Meeting will not automatically revoke that shareholder s proxy. A shareholder may, however, revoke a proxy at any time before it is voted: (i) by delivering either a written notice of revocation of the proxy or a duly executed proxy bearing a later date to Frederik F. Erikson, Assistant Secretary, Webster Financial Corporation, 145 Bank Street, Waterbury, Connecticut 06702; (ii) by re-voting by telephone or on the Internet; or (iii) by attending the Annual Meeting and voting in person. The cost of soliciting proxies for the Annual Meeting will be borne by Webster. In addition to use of the mails, proxies may be solicited personally or by telephone or telecopy by directors, officers and employees, who will not be specially compensated for such activities. Webster also will request persons, firms and companies holding shares in their names or in the name of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from those beneficial owners and will reimburse those holders for their reasonable expenses incurred in that connection. Webster also has retained Morrow & Co., LLC, a proxy soliciting firm, to assist in the solicitation of proxies at a fee of $7,500 plus reimbursement of certain out-of-pocket expenses.

Who Can Vote - The securities which can be voted at the Annual Meeting consist of shares of Common Stock of Webster with each share entitling its owner to one vote on all matters properly presented at the Annual Meeting. There is no cumulative voting of shares. The Board of Directors has fixed the close of business on February 29, 2016 as the record date for the determination of shareholders of Webster entitled to notice of and to vote at the Annual Meeting. On the record date, there were 6,414 holders of record of the 91,420,698 shares of Common Stock then outstanding and eligible to be voted at the Annual Meeting.

Voting - If your Common Stock is held by a broker, bank or other nominee (*i.e.*, in street name), you should receive instructions from that person or entity that you must follow in order to have your shares of Common Stock voted. If you hold your Common Stock in your own name and not through a broker or another nominee, you may vote your shares of Common Stock:

- by using the toll-free telephone number listed on the proxy card,
- by using the Internet website listed on the proxy card,
- by signing, dating and mailing the proxy card in the enclosed postage-paid envelope, or
- by attending the Annual Meeting and voting in person.

Whichever of these methods you select to transmit your instructions, the proxy holders will vote your Common Stock in accordance with your instructions. If you give a proxy without specific voting instructions, your proxy will be voted by the proxy holders as recommended by the Board of Directors.

Vote by Telephone - If you hold your Common Stock in your own name and not through your broker or another nominee, you can vote your shares of Common Stock by telephone by dialing the toll-free telephone number printed on your proxy card. Telephone voting is available 24 hours a day until 11:59 p.m., Eastern Time, on April 27, 2016. Easy-to-follow voice prompts allow you to vote your shares of Common Stock and confirm that your instructions have been properly recorded. **If you vote by telephone, you do not need to return your proxy card.**

Vote by Internet - If you hold your Common Stock in your own name and not through your broker or another nominee, you can vote via the Internet. The website for Internet voting is printed on your proxy card.

Internet voting is available 24 hours a day until 11:59 p.m., Eastern Time, on April 27, 2016. As with telephone voting, you will be given the opportunity to confirm that your instructions have been properly recorded. **If you vote via the Internet, you do not need to return your proxy card.**

Vote by Mail - You can vote by mail by signing, dating and returning the enclosed proxy card in the enclosed postage-paid envelope.

The presence, in person or by proxy, of at least one-third of the total number of outstanding shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. Assuming the presence of a quorum at the Annual Meeting, directors will be elected by a majority of the votes cast by shares present in person or represented by proxy and entitled to vote. The affirmative vote of the majority of the votes cast is required to approve the non-binding, advisory vote on the compensation of the named executive officers of Webster, to approve the amendment and restatement of the 1992 Stock Option Plan and re-approve the material terms for payment of performance-based compensation under the 1992 Stock Option Plan and to ratify the appointment of Webster s independent registered public accounting firm. The affirmative vote of at least 66 2/3% of our Common Stock outstanding is required to approve an amendment of the Third Amended and Restated Certificate of Incorporation, to provide that the Company s shareholders may remove any director from office, with or without cause. Shareholders votes will be tabulated by the persons appointed by the Board of Directors to act as inspectors of election for the Annual Meeting.

Under New York Stock Exchange Rule 452, which governs NYSE brokerage members, brokerage firms may not vote on non-routine matters in their discretion on behalf of their clients if such clients have not furnished voting instructions. A broker non-vote occurs when a broker s customer does not provide the broker with voting instructions on non-routine matters for shares owned by the customer but held in the name of the broker. Proposal 3 concerns a routine matter and thus brokerage firms may vote, in person or by proxy, on such proposal on behalf of their clients without voting instructions. Because none of the other matters to be voted upon at the Annual Meeting are considered routine matters under Rule 452, there potentially can be broker non-votes at the Annual Meeting. Both abstentions and broker non-votes will be treated as shares present for purposes of determining the presence of a quorum at the Annual Meeting. Abstentions and broker non-votes will not be counted for purposes of determining the number of votes cast on Proposals 1, 2, or 4 and, therefore, will have no effect on the outcome of the votes for those proposals. Abstentions will not be counted for purposes of determining the number of votes cast on Proposal 3 and, therefore, will have no effect on the outcome of the vote for that proposal. Proposal 3 concerns a routine matter, and thus brokerage firms may vote. Proposal 5 requires approval of the holders of at least 66 2/3% of our outstanding Common Stock and, therefore, a broker non-vote or abstention will have the same effect as a vote against Proposal 5.

Electronic Delivery of Proxy Materials - As a shareholder, you have the option of electing to receive future proxy materials (including annual reports) online over the Internet. This online service provides savings to Webster by eliminating printing, mailing, processing and postage costs associated with hard copy distribution. You may enroll for this service on the Internet after you vote your shares in accordance with the instructions for Internet voting set forth on the enclosed proxy card. You may also enroll for electronic delivery of future Webster proxy materials at any time on the Company s website at **www.wbst.com**. Under Electronic Enrollment, select the Click Here To Enroll link. Then select the box indicating your appropriate form of share ownership, and follow the instructions for electronic delivery enrollment. In the future, you will receive an email message, at the address you provided while enrolling, informing you that the Webster proxy materials are available to be viewed online on the Internet. Follow the instructions to view the materials and vote your shares. Your enrollment in electronic delivery of Webster proxy materials will remain in effect until revoked by you.

Annual Report on Form 10-K - Webster is required to file an annual report on Form 10-K for its 2015 fiscal year with the Securities and Exchange Commission (SEC). Shareholders may obtain, free of charge, a copy of the Form 10-K by writing to Frederik F. Erikson, Assistant Secretary, Webster Financial Corporation, 145 Bank Street, Waterbury, Connecticut 06702. Our annual report on Form 10-K is available on the Company s website, **www.wbst.com**.

ELECTION OF DIRECTORS

(Proposal 1)

At the Annual Meeting, ten directors will be elected to serve for one-year terms. Unless otherwise specified on the proxy, it is the intention of the persons named in the proxy to vote the shares represented by each properly executed proxy for the election as directors of the persons named below as nominees. The Board of Directors believes that the nominees will stand for election and will serve if elected as directors. If, however, any person nominated by the Board fails to stand for election or is unable to accept election, the proxies will be voted for the election of such other person as the Board of Directors may recommend. Assuming the presence of a quorum at the Annual Meeting, directors will be elected by a majority of the votes cast by shares present in person or represented by proxy and entitled to vote at the Annual Meeting. There are no cumulative voting rights in the election of directors.

As required by Webster s Bylaws, directors must be elected by a majority of the votes cast with respect to such director in uncontested elections (number of shares voted for a director must exceed the number of votes cast against that director). In a contested election (a situation in which the number of nominees exceeds the number of directors to be elected), the standard for election of directors will be a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. In addition, under Webster s Bylaws, incumbent directors nominated for reelection are required, as a condition to such nomination, to submit a conditional letter of resignation. In the event an incumbent nominee for director fails to receive a majority of the votes cast at an annual meeting, the Nominating and Corporate Governance Committee will consider the resignation and make a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Nominating and Corporate Governance Committee s recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date the election results are certified. The director who failed to receive a majority of the votes cast will not participate in the Board s decision.

Information as to Nominees

The following table sets forth the names of the Board of Directors nominees for election as directors, all of whom are current directors of Webster. Also set forth in the table is certain other information with respect to each such person s age at December 31, 2015, the periods during which such person has served as a director of Webster and positions currently held with Webster and its wholly owned subsidiary, Webster Bank, National Association (Webster Bank). In keeping with the Board s replenishment plan, including its goal to reduce average director tenure, Mr. Finkenzeller will retire at the 2016 Annual Meeting. He has served on the Board since the formation of the holding company in 1986. The Board of Directors greatly appreciates Mr. Finkenzeller s faithful service and his contributions to the Board and to Webster s success and growth. Additionally, in keeping with Webster s Qualification Guidelines for Board Members, Mr. Jacobi will not be nominated for an additional term in 2017, since he will have reached age 75.

Following the table are biographies of each of the nominees which contain information regarding each such person s business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the Board of Directors to determine that such person should serve as a director as of the time of filing of this Proxy Statement. Each director brings a strong and unique background and set of skills to the Board, giving the Board as a whole competence and experience in a wide variety of areas, including corporate governance, board service, executive management, business, finance and marketing. The process undertaken by the Nominating and Corporate Governance Committee in recommending qualified candidates is described beginning on page 13 under Corporate Governance Director Qualifications and Nominations.

Director Nominees:	**Age at 12/31/2015**	**Director Since**	**Expiration of Term**	**Positions Held with Webster and Webster Bank**	**Committee Membership**
William L. Atwell	65	2014	2016	Director	Compensation; Risk
Joel S. Becker	67	1986	2016	Director	Compensation; Risk
John J. Crawford	71	1996	2016	Lead Director	Audit; Executive; & Nominating & Corporate Governance (Chair);
Elizabeth E. Flynn	55	2014	2016	Director	Audit; Nominating & Corporate Governance
C. Michael Jacobi	73	1993	2016	Director	Risk
Laurence C. Morse	64	2004	2016	Director	Compensation; Nominating & Corporate Governance
Karen R. Osar	66	2006	2016	Director	Audit (Chair); Executive; Risk
Mark Pettie	59	2009	2016	Director	Audit; Executive; Risk (Chair)
Charles W. Shivery	70	2009	2016	Director	Compensation (Chair); Executive; Nominating and Corporate Governance
James C. Smith	66	1986	2016	Chairman and Chief Executive Officer; Director	Executive (Chair)

William L. Atwell is managing director of Atwell Partners, LLC, a Darien, Connecticut based company which provides consulting services and market insights to the financial services industry. Mr. Atwell was President of CIGNA International at CIGNA Corporation from 2008 to 2012. Earlier in his career, Mr. Atwell held various senior positions with The Charles Schwab Corporation, including President, Individual Investor Enterprise and Schwab Bank. Mr. Atwell began his career at Citibank where he held various senior executive roles. Mr. Atwell serves as an independent trustee of AQR Mutual Funds (AQR Capital Management LLC) and chairs its nominating and governance committee and is a member of its audit committee. Mr. Atwell serves as a trustee and is the former Chairman (2012-2015) of the Fairfield University board of trustees. Mr. Atwell is a member of the Compensation Committee and the Risk Committee.

Mr. Atwell s role as a former President of CIGNA International and 35 years of executive experience in the retail financial services industry, including banking, brokerage and insurance, provides insight regarding Webster s opportunities and challenges.

Joel S. Becker is Chairman and Chief Executive Officer of Torrco, a Waterbury, Connecticut based wholesale distributor of plumbing, heating and industrial pipe valve and fitting supplies to contractors and industry. Mr. Becker is a member of the Compensation Committee and the Risk Committee.

Mr. Becker s experience as Chairman and Chief Executive Officer of a local business in Webster s market area combined with more than 25 years of experience on Webster s Board gives him unique insight into Webster s challenges, opportunities and operations. He also has extensive experience in public company executive compensation as a result of his over nine years of service as Chair of the Compensation Committee.

John J. Crawford is President of Strategem LLC, a New Haven, Connecticut based company which provides consulting services to the business and not-for-profit community on business and financial strategies. Mr. Crawford served as President, Chief Executive Officer and a director of Aristotle Corporation, a New Haven, Connecticut based education training company from October 1992 through December 2002. Mr. Crawford continued to serve on the Board of Directors of Aristotle Corporation until August 31, 2005. From 1994 until December 2000, he served as President and Chief Executive Officer of the South Central Connecticut Regional Water Authority, New Haven, Connecticut. Mr. Crawford is Lead Director, Chair of the Nominating and Corporate Governance Committee and a member of the Audit Committee and the Executive Committee.

Mr. Crawford s extensive executive and corporate governance experience as a former Chief Executive Officer of three companies, including a financial institution, and his more than 15 years of service on Webster s Board, including thirteen years as the Lead Director, provides him with a seasoned view of Webster s operations and challenges.

Elizabeth E. Flynn was Vice Chairman of Marsh, LLC in New York, New York, a global leader in insurance broking and risk management until her retirement on December 31, 2015. Ms. Flynn was President of Marsh s Insurance Services Group from September 2012 to May 2013, and CEO and President of Marsh U.S. Consumer from October 2011 to September 2012. From June 2010 to October 2011, she served as Global Chief Operating Officer at Guy Carpenter & Company, LLC. Earlier in her career, Ms. Flynn was Senior Vice President, Restructuring Office/Divestitures, at American International Group, and worked more than 20 years at JP Morgan Chase & Company in various senior executive roles. Ms. Flynn is a member of the Audit Committee and the Nominating and Corporate Governance Committee.

Ms. Flynn s former role as Vice Chairman of Marsh, LLC and extensive operational and transformational leadership in numerous financial services organizations, including retail banking units while at JP Morgan Chase, brings meaningful and relevant experience to Webster.

C. Michael Jacobi is President of Stable House 1, LLC, a Middlebury, Connecticut based company engaged in real estate development. Mr. Jacobi served from June 2001 to May 2005 as President, Chief Executive Officer and a director of Katy Industries, Inc., a publicly held company headquartered in Middlebury, Connecticut engaged in the design, manufacture and distribution of maintenance and electrical products. Mr. Jacobi is a certified public accountant. He is a director of Corrections Corporation of America (NYSE:CXW)**,** a publicly held company headquartered in Nashville, Tennessee engaged in the ownership and management of prisons for federal, state and local governments, a director and chairman of the board of Sturm Ruger & Co., Inc. (NYSE:RGR), a publicly held company headquartered in Southport, Connecticut engaged in manufacturing and distribution of consumer products, a director of Kohlberg Capital Corporation (NASDAQ:KCAP), a publicly held company headquartered in New York, New York specializing in middle market companies, and a director of Performance Sports Group (NYSE:PSG), a publicly held company headquartered in Exeter, New Hampshire engaged in the design and manufacture of sports equipment. Mr. Jacobi is a member of the Risk Committee.

Mr. Jacobi provides the Board with extensive experience and expertise in corporate finance and accounting as a Certified Public Accountant, having served as Chair of the Audit Committee of Webster for many years. His former service as the Chief Executive Officer of a public company also brings strong executive experience to the Board.

Laurence C. Morse is the Managing Partner of Fairview Capital Partners, Inc., in West Hartford, Connecticut based investment management firm established in 1994 that oversees venture capital funds, some of which invest capital in venture capital partnerships and similar investment vehicles that provide capital primarily to minority-controlled companies. Mr. Morse is a director of the Institute of International Education, a member of the Board of Trustees of Harris Associates Investment Trust (which oversees the Oakmark Family of Mutual Funds), a member of the Board of Trustees of Princeton University, and is a director of Princeton University Investment Company and a former director and chairman of the National Association of Investment Companies, a private, not-for-profit trade association that represents 52 private equity and specialty finance investment firms. Mr. Morse is a member of the Compensation Committee and the Nominating and Corporate Governance Committee.

Mr. Morse s entire career has been spent in the investment management field, including as the co-founder and Managing Partner of an investment management firm, which provides the Board with extensive knowledge of the capital markets and accounting issues. His experience has made him adept at performing rigorous risk assessments of managers and management teams, and assessing new technologies, products and services, business strategies, markets and industries.

Karen R. Osar was Executive Vice President and Chief Financial Officer of Chemtura Corporation (NYSE:CHMT), a specialty chemicals company headquartered in Middlebury, Connecticut from 2004 until her retirement in March 2007. From 1999 to April 2003, Ms. Osar served as Senior Vice President and Chief Financial Officer of Westvaco Corporation and Mead Westvaco Corporation. She is a director and audit committee chair of Innophos Holdings, Inc. (NASDAQ:IPHS), a publicly held specialty chemicals company headquartered in Cranbury, New Jersey, a director and audit committee member of Sappi Limited (JSE:SAP), a publicly held company and one of the largest global producers of coated paper and chemical cellulose, headquartered in Johannesburg, South Africa, and from 1999 through 2006 she served as a director and audit and finance committee chair of Allergan, Inc., a publicly held multi-specialty health care company focused on developing and commercializing pharmaceuticals. Ms. Osar is Chair of the Audit Committee and a member of the Risk Committee and the Executive Committee.

Ms. Osar s experience as the former Chief Financial Officer of a public company, her previous corporate finance experience at JPMorgan Chase & Company, and her service as Chair of the Audit Committee for Webster and as the chair of the audit committee of another public company, provides the Board with strong corporate finance and accounting experience. Her board committee service also provides corporate governance and executive compensation expertise.

Mark Pettie is President of Blackthorne Associates, LLC, a Woodcliff Lake, New Jersey based company which provides consulting services to firms investing in a wide range of consumer oriented businesses. Mr. Pettie served as Chairman and Chief Executive Officer of Prestige Brands Holdings, Inc. (NYSE:PBH), a publicly held company headquartered in Irvington, New York which develops, sells, distributes and markets over-the-counter drugs, household cleaning products and personal care items, from January 2007 until September 2009. He was President of the Dairy Foods Group with ConAgra from 2005 to 2006. From

1981 to 2004, Mr. Pettie held various positions of increasing responsibility in general management, marketing and finance at Kraft Foods and was named Executive Vice President and General Manager of Kraft Food s Coffee Division in 2002. He is Chair of the Risk Committee and a member of the Audit Committee and the Executive Committee.

Mr. Pettie s former experience as Chief Executive Officer of a public company brings strong executive experience to the Board, along with his expertise in finance and marketing. He also has extensive business and corporate governance experience as a director for both public and private companies.

Charles W. Shivery is former non-executive Chairman of the Board of Northeast Utilities (NYSE:NU) (now known as Eversource Energy). He joined Northeast Utilities in 2002 and was Chairman, President and Chief Executive Officer from March 2004 until April 2012, upon the completion of the merger with NSTAR, and then served as non-executive Chairman of the Board until October 2013. He previously held posts with the company including interim President, President-Competitive Group of Northeast Utilities, and President and Chief Executive Officer of NU Enterprises, Inc., the unregulated subsidiary of the Northeast Utilities system. Prior to that, he was co-president of the Constellation Energy Group, the parent company of Baltimore Gas & Electric and other energy related businesses. Mr. Shivery is a director and audit committee member of Portland General Electric Company (NYSE:POR), an electrical utility company headquartered in Portland, Oregon. He is Chair of the Compensation Committee, and a member of the Executive Committee and the Nominating and Corporate Governance Committee.

Mr. Shivery s former service as the President and Chief Executive Officer of an energy company provides extensive experience managing a sizable, highly regulated business. Northeast Utilities (now known as Eversource Energy), conducts business in a large part of the region serviced by Webster, so certain variables impact both businesses similarly. Mr. Shivery also provides the Webster Board with corporate governance and executive compensation knowledge.

James C. Smith is Chairman and Chief Executive Officer of Webster and Webster Bank. Mr. Smith joined Webster Bank in 1975 and was appointed CEO of the bank and the holding company in 1987 and Chairman in 1995. He was elected President, Chief Operating Officer and a director of Webster Bank in 1982 and of the holding company at its inception in 1986. He served as President of Webster and Webster Bank until 2000, and again from 2008 through 2011. Mr. Smith serves as Vice Chairman of the Midsize Banks Coalition of America. He is a past member of the board of directors of the American Bankers Association and served as co-chairman of the ABA s American Bankers Council for midsize banks. He is a past member of the board of directors of the Financial Services Roundtable. Mr. Smith served as a member of the Federal Advisory Council, which advises the deliberations of the Federal Reserve Board of Governors, and served on the board of directors of the Federal Reserve Bank of Boston. He served on the board of directors of the Federal Home Loan Bank of Boston. He served on the executive committee of the Connecticut Bankers Association. Mr. Smith is actively engaged in community service and supports numerous civic organizations including as a member of the board of Saint Mary s Health System in Waterbury, Connecticut. Mr. Smith is Chair of the Executive Committee.

Mr. Smith s position and extensive experience as Chairman and Chief Executive Officer of Webster and his day to day leadership of the Company provide him with thorough knowledge of Webster s opportunities, challenges and operations.

The Board of Directors recommends that shareholders vote FOR the election of all of its director nominees.

CORPORATE GOVERNANCE

General

The business and affairs of Webster are managed under the direction of the Board of Directors (the Board). Members of the Board are kept informed of Webster s business through discussions with the Chairman of the Board and Webster s other executive officers, by reviewing materials provided to them and by participating in meetings and strategic planning sessions of the Board and its committees. The Board is also kept apprised by the Chairman of the Board and management of continuing educational programs on corporate governance and fiduciary duties and responsibilities. In addition, new directors of Webster participate in an orientation program, which is designed to familiarize them with Webster s business and operations and with their duties as directors under applicable laws and regulations. Each member of the Board also serves as a director of Webster Bank.

Webster believes in the importance of sound and effective corporate governance. Over the years, Webster has forged an explicit link between its corporate culture and corporate governance by identifying its core values, communicating them and living them every day. With uncompromising commitment to its core principles, Webster continues to add value for its customers, shareholders, employees and the communities it serves. The Board has adopted corporate governance practices and policies which the Board and senior management believe promote this philosophy. Certain of such practices and policies are listed in the chart below and certain of those listed are discussed in greater detail elsewhere in this Proxy Statement.

Board and Governance Information	**2015**
Size of Board	11
Number of Independent Directors	10
Annual Election of All Directors	Yes
Majority Voting for Directors	Yes
Lead Independent Director	Yes
Independent Directors Meet Without Management Present	Yes
Annual Equity Grant to Non-Employee Directors	Yes
Board Orientation / Education Program	Yes
Code of Business Conduct & Ethics for Directors	Yes
Stock Ownership Guidelines for Directors	Yes
No Poison Pill	Yes
Policy Prohibiting Hedging / Pledging of Company Stock	Yes
Annual Board & Committee Evaluations	Yes

Board Leadership

At Webster, the roles of Chairman of the Board and principal executive officer are combined, both held by Mr. Smith. In addition, there is a lead independent director who is appointed in accordance with Webster s Corporate Governance Policy, which provides that the Board shall appoint an independent director to serve as the Lead Director of the Board for a one-year term, or until a successor is appointed. The lead independent director presides over the executive sessions of independent directors and assists and advises the Chairman of the Board. During fiscal year 2015, Mr. Crawford served as the lead independent director. The Board believes that having a combined Chairman and principal executive officer, coupled with a lead independent director, is the most appropriate leadership structure for Webster, especially given Mr. Smith s long service as Chief Executive Officer and his extensive knowledge of the Company and its governance. This structure allows Board discussions regarding performance and strategic matters to be led by the person who oversees Webster s strategy and operations and establishes a single voice to speak on behalf of Webster, while the lead independent director component of the structure provides independent leadership that mitigates any real or perceived conflicts of interest.

Director Independence

Pursuant to the New York Stock Exchange (NYSE) listing standards, Webster is required to have a majority of independent directors on its Board. In addition, the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee must be composed solely of independent directors. The NYSE listing standards define specific relationships that would disqualify a director from being independent and further require that for a director to qualify as independent, the board of directors must affirmatively determine that the director has no material relationship with the Company.

The Board, with the assistance of the Nominating and Corporate Governance Committee, conducted an evaluation of director independence, based primarily on a review of the responses of the directors and executive officers to questions regarding employment and compensation history, affiliations and family and other commercial, industrial, banking consulting, legal, accounting, charitable and legal relationships with Webster, including those relationships described under Compensation Committee Interlocks and Insider Participation and Certain Relationships on page 47 of this Proxy Statement, and on discussions with the Board.

As a result of this evaluation, the Board affirmatively determined that each of Messrs. Atwell, Becker, Crawford, Finkenzeller, Jacobi, Morse, Pettie, Shivery and Mses. Flynn and Osar is an independent director for purposes of Section 303A of the Listed Company Manual of the NYSE and applicable SEC rules and regulations. In connection with this evaluation, the Board considered that Webster provides lending and other financial services to directors, their immediate family members, and their affiliated organizations in the ordinary course of business and without preferential terms or rates. The Board also considered that C. Michael Jacobi s son, Gregory Jacobi, was employed by Webster Bank in 2015 as a Senior Vice President. Mr. Jacobi s son s employment position with Webster Bank does not violate the independence standards contained in the NYSE rules and the Board determined that this relationship is not material and would not impair Mr. Jacobi s independence, in part because Mr. Jacobi s son is not an executive officer of Webster and his compensation and benefits were established in accordance with the compensation policies and practices applicable to Webster employees in comparable positions.

Mr. Smith is not considered independent because he is an executive officer of Webster and Webster Bank.

Executive Sessions of Independent Directors

In keeping with Webster s Corporate Governance Policy, in 2015 the Board held 3 meetings that were limited to independent directors. The lead independent director presides over the executive sessions of independent directors.

Risk Oversight

The Board administers its risk oversight function primarily through the Risk Committee, which is described in more detail below. The Risk Committee meets frequently throughout the year and reports its findings to the full Board on an ongoing basis. In addition, the Compensation Committee and the Risk Committee review and assess risks as related to Webster s compensation programs. Webster also has a Chief Risk Officer, Daniel H. Bley, who reports in that capacity to the Risk Committee, as well as two senior risk officers who report to the Chief Risk Officer.

Board and Committee Meetings

During 2015, Webster held 10 meetings of its Board. Each incumbent director attended at least 75 percent of the aggregate of (i) the total number of meetings held by the Board during the period that the individual served and (ii) the total number of meetings held by all committees of the Board on which the individual served during the period that the individual served.

Committees of the Board; Code of Business Conduct and Ethics and Corporate Governance Guidelines

The Board has established five standing committees. The standing committees are the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, the Executive Committee and the Risk Committee. The Board has adopted a charter for each of these committees, as well as corporate governance guidelines that address the make-up and functioning of the Board and qualification guidelines for board members. The Board has also adopted a code of business conduct and ethics (the Code of Conduct) that applies to all employees, officers and directors. Each employee, officer and director participates in an annual training session that focuses on topics covered by Webster s Code of Conduct. The training reinforces Webster s core values and Webster s commitment to full compliance with applicable laws and regulations. **You can find links to these materials on the Company s website at: www.wbst.com.**

You can also obtain a printed copy of any of the materials referred to above, without charge, by contacting us at the following address:

Webster Financial Corporation

145 Bank Street

Waterbury, Connecticut 06702

Attn: Harriet Munrett Wolfe, Esq.

Executive Vice President, General Counsel and Secretary

The Board has determined that all of the Directors who serve on the Audit, Compensation, and Nominating and Corporate Governance committees are independent for purposes of Section 303A of the Listed Company Manual of the NYSE. In addition, all of the Directors who serve on the Risk Committee are independent.

Audit Committee

The Board has appointed an Audit Committee that oversees the Company s financial reporting process, the system of internal financial and accounting controls, the audit process, and compliance with applicable laws and regulations. The Audit Committee reviews the Company s annual financial statements, including management s discussion and analysis, and regulatory examination findings. The Audit Committee recommends the appointment of an independent registered public accounting firm and is responsible for the oversight of such firm. **A copy of the Audit Committee s charter is available on the Company s website at: www.wbst.com**. During 2015, the Audit Committee held 5 meetings. The members of the Audit Committee currently are Ms. Osar (Chair) and Messrs. Crawford, Finkenzeller, Pettie, and Ms. Flynn. Each of the members of the Audit Committee meets the independence requirements of the rules of the NYSE and applicable rules and regulations of the SEC. The Board has determined that each of the members of the Audit Committee is financially literate and that Ms. Osar and Mr. Crawford qualify as audit committee financial experts, as that term is defined in Item 407(d)(5) of Regulation S-K.

Compensation Committee

The Board has appointed a Compensation Committee. During 2015, the Compensation Committee held 4 meetings. Compensation Committee meetings are attended by Webster s Chief Executive Officer (CEO) and President, other than while their compensation and benefits are discussed. For a description of the role of Webster s CEO in determining or recommending the amount of compensation paid to our named executive officers during 2015, see Compensation Discussion and Analysis. The members of the Compensation Committee currently are Messrs. Shivery (Chair), Atwell, Becker, Finkenzeller and Morse. Each of the members of the Compensation Committee meets the independence requirements of the rules of the NYSE, and also serves as the Compensation Committee of the Company s subsidiary, Webster Bank. **A copy of the Compensation Committee s charter is available on the Company s website at: www.wbst.com**. The Compensation Committee may delegate to its chairperson or any other Compensation Committee member such power and authority as the Compensation Committee deems appropriate, except such powers and authorities required by law to be exercised by the whole Compensation Committee or subcommittee thereof.

Pursuant to the Compensation Committee s charter, among other responsibilities, the Committee is charged with annually reviewing and approving annual bonus arrangements and long term incentive compensation paid to the CEO. The Committee reviews and makes recommendations to the Board with respect to the annual base salary, and severance and/or change in control or similar agreements/provisions, if any, for the CEO; annually determining such compensation and benefits for the members of the Company s Executive Management Committee other than the CEO; annually recommending to the Board the content of the annual performance evaluation for the CEO and reviewing performance evaluations for all members of the Executive Management Committee; administering and implementing the Company s performance based incentive plans; reviewing the talent management and succession planning processes to ensure that there is a pool of qualified candidates to fill future Executive Management Committee positions; and reviewing and approving on a periodic basis the Company s employee stock ownership guidelines. The Committee also reviews and makes recommendations to the Board with respect to director compensation.

For information on the role of compensation consultants determining or recommending the amount or form of executive or director compensation, see Compensation Discussion and Analysis Compensation Consultant.

Executive Committee

The Board has appointed an Executive Committee that has responsibility for serving as an exploratory committee for mergers and acquisitions and to serve as an *ad hoc* committee as needed. The Executive Committee did not meet during 2015. The members of the Executive Committee are Messrs. Smith (Chair), Crawford, Pettie, Shivery and Ms. Osar.

Nominating and Corporate Governance Committee

The Board has appointed a Nominating and Corporate Governance Committee that has overall responsibility for recommending corporate governance process and board operations for the Company. 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, and recommends director nominees to fill vacancies on the Board and for approval by the Board and the shareholders. **A copy of the Nominating and Corporate Governance Committee s charter is available on the Company s website at: www.wbst.com**. During 2015, the Nominating and Corporate Governance Committee held 3 meetings. The members of the Nominating and Corporate Governance Committee are Messrs. Crawford (Chair), Morse, Shivery and Ms. Flynn. Each member of the Nominating and Corporate Governance Committee meets the independence requirements of the rules of the NYSE.

Risk Committee

The Board has appointed a Risk Committee whose primary function is to assist the Board in fulfilling its oversight responsibilities regarding the Company s enterprise risk management, receiving information regarding the Company s policies, procedures and practices relating to risk, and discussing material regulatory issues, compliance matters, and emerging risks to the Company. The Risk Committee also has responsibility for overseeing management s monitoring of security issues. During 2015, the Risk Committee held 5 meetings. The members of the Risk Committee are Messrs. Pettie (Chair), Atwell, Becker, Jacobi, and Ms. Osar.

Director Qualifications and Nominations

The Board believes that it should be composed of directors with diverse experience in business and in areas that are relevant to the Company, and that directors should, at a minimum, possess the highest personal and professional ethics, integrity and values, and be committed to representing the long term interests of the shareholders. Directors should also have an objective perspective and practical wisdom, and should be willing and able to devote the required amount of time to Webster s business. These attributes are embodied in Webster s Qualification Guidelines for Board Members, which specifies that diversity is one of the factors to be considered in deciding on nominations for directors.

When considering candidates for the Board, the Nominating and Corporate Governance Committee takes into account a number of factors, including the following:

- independence from management;
- judgment, skill, integrity and reputation;
- relevant specific industry experience;
- age, gender and ethnic background;
- current position with another business or entity;
- potential conflicts of interests with other pursuits; and
- existing ties to the Company s and Bank s markets.

When seeking candidates for director, the Nominating and Corporate Governance Committee may solicit suggestions from incumbent directors, management or others, including third party search firms. The Committee will review the qualifications and experience of each candidate. If the Committee believes a candidate would be a valuable addition to the Board, it will recommend to the full Board that candidate s election. The Nominating and Corporate Governance Committee reviews and assesses the effectiveness of the Qualification Guidelines for Board Members periodically.

Webster s Bylaws also permit shareholders eligible to vote at the Annual Meeting to make nominations for directors, but only if such nominations are made pursuant to timely notice in writing to the Secretary of Webster. To be timely, notice must be delivered to, or mailed to and received at, the principal executive offices of Webster not less than 30 days nor more than 90 days prior to the date of the meeting, provided that at least 45 days notice or prior public disclosure of the date of the Annual Meeting is given or made to shareholders. If less than 45 days notice or prior public disclosure of the date of the Annual Meeting is given or made to shareholders, notice by the shareholder to be timely must be received by Webster not later than the close of business on the 15th day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure was made. Public disclosure of the date of the Annual Meeting was made by the issuance of a press release on February 15, 2016 and by filing a Current Report on Form 8-K under the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission on February 16, 2016. The Nominating and Corporate Governance Committee will consider candidates for director suggested by shareholders applying the criteria for candidates described above and considering the additional information required by Article III, Section 13 of Webster s Bylaws, which must be set forth in a shareholder s notice of nomination. Section 13 of Webster s Bylaws requires that the notice include: (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director, (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of Webster which are beneficially owned by such person, and (iv) any other information relating to such person that is required to be disclosed in solicitations or proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including without limitation such person s written consent to being named in the Proxy Statement as a nominee and to serving as a director if elected); and (b) as to the shareholder giving notice, (i) the name and address, as they appear on Webster s books, of such shareholder, and (ii) the class and number of shares of Webster which are beneficially owned by such shareholder. In considering any nominees for directors recommended by a shareholder, the Nominating and Corporate Governance Committee considers, among other things, the same factors set forth above.

Compensation of Directors

The following table summarizes the compensation paid to Webster s non-employee directors during 2015. Employee directors of Webster receive no additional compensation for serving as directors or committee members of Webster or its subsidiaries. Beyond these and other standard arrangements described below, no other compensation was paid to any such director.

Name	Fees Earned or Paid in Cash ($) 1	Stock Awards ($) 2	Option Awards ($) 3	All Other Compensation ($) 4	Total ($)
William L. Atwell	52,750	60,126		2,379	115,255
Joel S. Becker	54,150	60,126		3,582	117,858
John J. Crawford	82,550	60,126		3,582	146,258
Robert A. Finkenzeller	55,750	60,126		3,582	119,458
Elizabeth E. Flynn	51,350	60,126		2,090	113,566
C. Michael Jacobi	50,350	60,126		2,441	112,917
Laurence C. Morse	51,150	60,126		3,582	114,858
Karen R. Osar	68,950	60,126		3,582	132,658
Mark Pettie	63,950	60,126		3,582	127,658
Charles W. Shivery	61,350	60,126		3,582	125,058

1 Includes meeting fees, fees paid to Mr. Crawford as Lead Director and committee chair, to Messrs. Pettie, Shivery and Ms. Osar as committee chairs and the $32,000 annual retainer fee.

2 The amounts in this column represent the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718. The grant date fair value of the restricted shares awarded to Mses. Flynn and Osar and Messrs. Atwell, Becker, Crawford, Finkenzeller, Jacobi, Morse, Pettie and Shivery in 2015 was $36.09 per share. The assumptions used to calculate the amount recognized for these stock awards are set forth in footnote 19 to Webster s audited financial statements contained in Webster s Form 10-K for the year ended December 31, 2015. As of December 31, 2015, Ms. Osar and Messrs. Becker, Crawford, Finkenzeller, Morse, Pettie and Shivery had 3,847 unvested restricted shares from the annual equity grants in 2013, 2014 and 2015, and Messrs. Atwell and Jacobi and Ms. Flynn had 2,674, 2,970, 2,437 unvested restricted shares, respectively.

3 No stock options were granted to non-employee directors in 2015. As of December 31, 2015, each director had the following number of options outstanding, all of which are currently exercisable: Mr. Atwell 0; Mr. Becker, 46,528; Mr. Crawford, 46,528; Mr. Finkenzeller, 46,528; Ms. Flynn, 0; Mr. Jacobi, 46,528; Mr. Morse, 46,528; Ms. Osar, 46,528; Mr. Pettie, 25,423; and Mr. Shivery, 13,274.

4 Reflects the dollar amount of dividends paid on unvested restricted stock for the fiscal year ended December 31, 2015.

Webster uses a combination of cash and restricted stock to attract and retain qualified candidates to serve on the Board. Webster targets director compensation to be at the median for its peer group (as described in Compensation Discussion and Analysis below), with the opportunity to earn significantly more based on Webster s total shareholder return. Stock Ownership Guidelines have also been established for directors to closely align directors interests with those of Webster s shareholders.

During 2015, each non-employee director of Webster received an annual retainer of $32,000. In addition, non-employee directors of Webster received 1,666 shares of restricted stock, which vest incrementally over three years.

In addition, except as set forth below, each non-employee director received $1,200 for each Webster or Webster Bank Board meeting attended, $1,200 for each committee meeting attended, and $600 for each telephonic Webster or Webster Bank Board and committee meeting called by either Webster or Webster Bank. Each non-employee director of both Webster and Webster Bank received a total of $2,000 for separate board meetings of Webster and Webster Bank that were held on the same day. Non-employee directors receive $1,000 for a committee meeting if it is held on the same day as a Board meeting and $1,000 for a second committee meeting if more than one committee meeting is held on the same day. Webster also reimburses directors for reasonable travel expenses incurred in connection with attending Board meetings.

In 2015, the Lead Director received an additional annual retainer of $22,500. The Chair of the Audit Committee received an annual additional retainer of $15,000, the Chair of the Compensation Committee and the Chair of the Risk Committee received additional annual retainers of $10,000 and the Chair of the Nominating and Corporate Governance Committee received an additional annual retainer of $7,500.

Webster stock ownership guidelines require non-employee directors to own Webster Common Stock with a market value equal to at least $200,000. Effective April 2016, this will increase to $300,000. Non-employee directors who do not meet the guidelines agree to hold all long term incentives, which include vested restricted stock and exercised stock options (net of exercise price and taxes), until they achieve the required ownership threshold of Webster Common Stock.

Communications with Directors

The Company s shareholders and other interested persons who want to communicate with the Board of Directors, any individual Director, the Lead Director, the non-management directors as a group or any other group of directors, can write to:

[Name of Director or Directors]

c/o Lead Director of the Board of Directors

Webster Financial Corporation

P.O. Box 1074

754 Chapel Street

New Haven, Connecticut 06510

All communications received (except for communications that are primarily commercial in nature or relate to an improper or irrelevant topic) will be forwarded to the intended recipient(s) or the full Board, as appropriate.

Director Attendance at Annual Meetings

Webster typically schedules a meeting of the Board of Directors in conjunction with the annual meeting and expects that the Board of Directors will attend the annual meeting, absent a valid reason, such as a previously scheduled conflict. Last year all of the individuals then serving as directors attended the annual meeting.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Named Executive Officers of Webster Financial Corporation

The following table sets forth information regarding the Chief Executive Officer, the Chief Financial Officer, and the three other most highly compensated executive officers who were serving on December 31, 2015 (the named executive officers or NEOs).

Name	Age as of December 31, 2015	Positions with Webster and Webster Bank
James C. Smith	66	Chairman, Chief Executive Officer and Director
Joseph J. Savage	63	Executive Vice Chairman and Director of Webster Bank
John R. Ciulla	50	President and Director of Webster Bank
Glenn I. MacInnes	54	Executive Vice President and Chief Financial Officer
Charles L. Wilkins	54	Executive Vice President, HSA Bank

Provided below is biographical information for each of Webster s NEOs, other than Mr. Smith. For information regarding Mr. Smith, see Election of Directors-Information as to Nominees.

Joseph J. Savage is Executive Vice Chairman of Webster and Webster Bank. He joined Webster in April 2002 as Executive Vice President, Commercial Banking and was promoted to President of Webster Bank and elected to the board of directors of Webster Bank in January of 2014. He was appointed to his current position in October 2015. Prior to joining Webster, Mr. Savage was Executive Vice President of the Communications and Energy Banking Group for CoBank in Denver, Colorado from 1996 to April 2002. Mr. Savage serves as a director of the Travelers Championship Committee. He serves on the board of The Bushnell and The Connecticut Bankers Association. He was also the chair of the 2013-14 United Way Campaign for United Way of Central and Northeastern Connecticut.

John R. Ciulla is President of Webster and Webster Bank. Mr. Ciulla joined Webster in 2004 and has served in a variety of management positions at the Company, including Chief Credit Risk Officer and Senior Vice President, Commercial Banking, where he was responsible for several business units. He was promoted from Executive Vice President and Head of Middle Market Banking to lead Commercial Banking in January 2014 and President in October 2015. Prior to joining Webster, Mr. Ciulla was Managing Director of the Bank of New York, where he worked from 1997 to 2004. He is the Vice Chairman of the board of the Connecticut Business & Industry Association and serves on the board of the Business Council of Fairfield County.

Glenn I. MacInnes is Executive Vice President and Chief Financial Officer of Webster and Webster Bank. He joined Webster in 2011. Prior to that, Mr. MacInnes was Chief Financial Officer at New Alliance Bancshares for two years and was employed for 11 years at Citigroup in a series of positions, including deputy CFO for Citibank North America and CFO of Citibank (West) FSB. Mr. MacInnes serves on the board of Wellmore Behavioral Health, Inc.

Charles L. Wilkins is Executive Vice President, Head of HSA Bank of Webster and Webster Bank. He joined Webster in 2014. Prior to joining Webster, he was president of his own consulting practice specializing in healthcare and financial services from June 2012 to December 2013. Prior to this, Mr. Wilkins was General Manager and Chief Executive Officer of OptumHealth Financial Services, a division of UnitedHealth Group in Minnesota from August 2007 to June 2012. He is an active volunteer with the United Way, Special Olympics and Crossroad Career Network.

Compensation Committee Report

The Compensation Committee met with management to review and discuss the Compensation Discussion and Analysis disclosures that follow. Based on such review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference in the Company s Form 10-K for its 2015 fiscal year, and the Board has approved the recommendation.

Compensation Committee

Charles W. Shivery (Chair)

William L. Atwell

Joel S. Becker

Robert A. Finkenzeller

Laurence C. Morse

Compensation Discussion and Analysis

The Compensation Discussion and Analysis (CD&A) discusses in detail the 2015 executive compensation program for the Company s NEOs. The Compensation Committee (Committee) recommends the base salary for the Chief Executive Officer (CEO) to the Board of Directors, approves the annual cash incentive and long term equity-based incentives (LTI) for the CEO, and approves the compensation for Webster s other NEOs. Non-NEO members of the Executive Management Committee are also compensated under the same compensation program.

At the annual meeting of shareholders held on April 23, 2015, Webster held an advisory vote on executive compensation. Approximately 98% of the shares of Webster Common Stock that were voted on the proposal were voted for the approval of the compensation of the NEOs as discussed in Webster s 2015 Proxy Statement. The Committee considers the outcome of the vote when determining compensation policies and setting NEO compensation and believes that the results show strong support for Webster s compensation policies and procedures. No changes in the overall structure of the programs were made in 2015.

Executive Summary

Highlights of 2015 Operating Performance

Webster reported record net income driven by higher revenue, disciplined expense management, and further improvement in asset quality. Strong loan demand boosted core revenue for another year of positive growth. Webster continued to invest in strategies that are expected to increase Economic Profit[1] over time.

Highlights Summary (results versus prior year)

Record net income of $206.3 million, up 3.31%

Record net income applicable to common shareholders of $197.0 million, up 4.50%

Record core pre-provision net revenue of $350.6 million, up 7.01%

Efficiency ratio of 59.73% and 91st percentile rank relative to the Compensation Peer Group (Peer Group), improved by 0.8%.

Continued improvement in asset quality; annualized net charge-offs as a percentage of average loans and leases of 0.23%, flat compared to 2014.

Growth in commercial and commercial real estate loans of 13.6%, and overall loan growth of 12.7%

[1] Economic Profit is a non-GAAP measure and is calculated at the consolidated and business unit level. Economic Profit is defined as net income less the imputed cost of capital.

Deposit growth of 14.7%

Return on Average Tangible Common Shareholders Equity of 12.05% versus 11.90%

Return on Average Common Shareholders Equity of 8.77% versus 8.85%

Return on Average Assets of 0.87% versus 0.93%

Objectives of Compensation Program

Webster s executive compensation program is designed to attract, engage and retain qualified executives and to reward actions and results that the Committee and Board of Directors believe will increase Economic Profit and maximize shareholder return. Special attention is given to ensuring that compensation plans do not encourage NEOs or other executives to take unnecessary or excessive risks.

Webster s executive compensation program is highly performance based and closely aligns total compensation with achievement of Webster s financial and strategic goals. A meaningful portion of total compensation is variable and tied to future shareholder return, thereby rewarding NEOs and other executives for pursuing strategies that are expected to increase Economic Profit over time.

The compensation program has four primary objectives:

Equity Based - A meaningful portion of the total compensation opportunity is equity-based and is highly dependent on the Company s return on equity (ROE) and total shareholder return (TSR) over a three-year period relative to the Peer Group.

Performance Based - A majority of total compensation is intended to be variable based on the Company s success in achieving predetermined financial and strategic goals and its performance relative to the Peer Group, ROE, and TSR.

Competitive - Total compensation opportunities should be competitive, thus enabling Webster to attract, engage and retain highly qualified NEOs and other executive officers who will be motivated to achieve Webster s financial and strategic goals.

Safety and Soundness - Webster s incentive compensation programs reward individual actions and behaviors that support Webster s mission, business strategies and performance based culture and do not encourage unnecessary or excessive risk taking.

Compensation Best Practices

The Committee annually reviews best practices in executive compensation and governance and continues to enhance our policies and practices, which include the following:

2015 Compensation and Governance Best Practices

We Do	We Do Not
Ö A substantial portion of each NEO s total compensation opportunity is variable, such that actual compensation is closely tied to financial performance and business results and TSR	Ø No employment agreements
Ö Stock ownership guidelines are robust to help ensure that the interests of the executives are aligned with long term shareholder value and reviewed annually by the Committee	Ø No stock option repricing
Ö The value of LTI granted in February each year is determined based in part on the NEO s performance in the prior year	Ø No excise tax gross-up provisions in any agreements with our NEOs
Ö LTI program is 75% performance based driving a pay for performance culture	Ø No stock options may be granted below fair market value
Ö Annual risk review of the Company s compensation plans is performed	Ø No dividends paid on unearned performance shares
Ö The incentive compensation clawback policy is robust	Ø Perquisites available to NEOs and other executive officers have been limited and are reviewed annually by the Committee
Ö CEO and senior leadership succession planning process reviewed annually by the Committee and Board of Directors	Ø No liberal share counting (see page A-2)

Setting 2015 Compensation

In February 2015, the Committee reviewed all elements of compensation for NEOs and approved the compensation structure consistent with the objectives outlined above. Total direct compensation comprises base salary, annual cash incentive and LTI. The annual cash incentive rewards current year performance, while the LTI aligns the NEOs interests with the long term goals and performance of the Company. LTI grants made in February 2016, based in part on NEOs 2015 performance, consisted of a 75/25 mix of performance based shares and time-based restricted stock. Performance shares have a three-year performance period and time-based restricted stock has a three-year vesting schedule of one-third on each anniversary date of the grant. The 2016 LTI grants are disclosed in the non-required 2016 Long Term Incentive Compensation table on page 31 and the two-year supplemental Summary Compensation Table on page 36.

For 2015, the Committee approved total compensation for NEOs which is somewhat higher than compensation for 2014, given the continuing improvement in financial and credit-related results, considerable progress toward achieving strategic goals, and financial performance that exceeded the Peer Group s performance. The Committee intended that total direct compensation should be commensurate with that of like institutions with similar performance. Given 2015 financial performance that was slightly below plan yet well above the peer median, the Committee intended that total direct compensation (including the February 2016 LTI grants based on 2015 performance) be equal to or somewhat higher than median Peer Group compensation.

Compensation Consultant

In carrying out its responsibilities, the Committee engages McLagan, an independent compensation consultant, to offer market perspectives on annual pay, current executive compensation trends and compensation programs currently in place at Webster. The consultant also provides insight into regulatory issues affecting compensation. The Committee has the authority to hire and terminate the consultant and determine the nature and scope of the consultant s assignments. The Committee has engaged McLagan since June 2010. The Committee reviewed the work performed by McLagan and, under SEC and NYSE regulations, determined that the work did not create a conflict of interest.

McLagan provided the Committee ongoing insights relating to trends in executive compensation in the banking sector. At the direction of the Committee, McLagan reviewed all elements of compensation for the NEOs and other executive officers and made recommendations with regard to plan design. McLagan also reviewed an analysis of Webster s 2015 performance to date (through the first three quarters of 2015) relative to peers and opined on management s proposals to the Committee regarding 2015 executive compensation. McLagan attended the majority of Committee meetings and in each one of those meetings had the opportunity to meet with the Committee in executive session. The Committee weighs the consultant s perspective as part of its decision-making process. The Committee communicates compensation decisions directly to management. The Committee utilized market context and recommendations from McLagan when determining the amount and form of compensation paid to Webster s executive officers and directors during 2015.

Compensation Peer Group

The Committee regularly uses proxy information for the Peer Group to review annually the compensation of Webster s NEOs relative to comparable positions. This review is supplemented by available market survey data. The Committee may also use comparisons to the Peer Group to consider other market practices relevant to the scope of the NEOs responsibilities. This may include, for example, change in control provisions and stock ownership guidelines.

In 2015, the Committee considered actual and, where available, target compensation data from the Peer Group. This data was presented by McLagan and contributed to an assessment of the competitiveness of actual and target pay for Webster NEOs.

The Committee reviews the composition of the Peer Group annually with the assistance of McLagan with the objective of maintaining a group of peer banks that individually and collectively represent suitable comparators for compensation-related analyses. Suitability is defined using a number of factors, including size, scope, business mix and geographic focus. Scope measures include total assets, net revenue, market capitalization and number of employees. Business mix is reflected by an analysis of loan composition (consumer, real estate, commercial and construction) and revenue composition (sources and proportion of net interest income and non-interest income). Banks with a geographic focus outside the continental United States are excluded regardless of the appropriateness of their scope and business mix. In 2015, McLagan, at the request of the Committee, prepared an evaluation of our Peer Group and determined that our current Peer Group met the criteria stated above and no action was needed. While Susquehanna Bancshares had announced an acquisition by BB&T in 2015, the closing occurred after the Peer Group was affirmed. The Committee approved the recommendation and identified the 13 companies listed below as the Peer Group for 2015:

2015 Compensation Peer Group[1]		
Company		**Total Assets (in millions)**
Associated Banc-Corp	$	26,822
BancorpSouth, Inc.	$	13,326
BOK Financial Corporation	$	29,090
City National Corporation[2]	$	32,610
Commerce Bancshares, Inc.	$	23,994
Cullen/Frost Bankers, Inc.	$	28,278
First Niagara Financial Group, Inc.	$	38,551
Fulton Financial Corporation	$	17,125
Hancock Holding Company	$	20,747
People s United Financial, Inc.	$	35,997
Susquehanna Bancshares, Inc. [2]	$	18,661
TCF Financial Corporation	$	19,395
Valley National Bancorp	$	18,794

75th Percentile	$ 29,090
Median	$ 23,994
25th Percentile	$ 18,794
Webster	$ 22,533
Percent Rank	46%

1 Data as of 12/31/2014 and is provided by Equilar Insight

2 SUSQ and CNY were acquired in 2015 by BB&T and Royal Bank of Canada, respectively.

Given the acquisition of Susquehanna Bancshares and City National in 2015, their financial performance data is no longer available. They are not included in the annual cash incentive peer performance calculation; however, they are counted in the lowest quartile in the TSR calculation, which is standard market practice when a peer gets acquired.

Elements of 2015 Compensation

Webster s compensation program has three basic elements: base salary, annual cash incentive and LTI. All elements of compensation are reviewed annually by the Committee, both separately and in aggregate, to ensure that the total amount of compensation is within appropriate competitive parameters based on data from independent sources and based on the performance of the Company and NEOs. The program is intended to provide NEOs with a compensation opportunity commensurate with persons with similar duties and responsibilities at other financial institutions with comparable performance. In determining levels of NEOs overall compensation, the Committee also considers the qualifications and experience of the respective officer, Webster s size and complexity of operations and, to a certain extent, the compensation paid to other persons employed by the Company. The Committee uses external data as input for the Committee s analysis and to obtain a general understanding of current compensation practices rather than strict rules for establishing compensation. A meaningful portion of pay is tied to financial and strategic performance. Consequently, actual compensation received will vary from targeted compensation.

In early 2015, the Committee engaged McLagan to provide an analysis of Webster s total compensation as well as the individual components compared to the Peer Group and McLagan s *2014 Top Management Survey*. This data contributed to an assessment of the competitiveness of actual and target pay for Webster s NEOs. Based on the findings, the Committee set the components of pay and the weight of each component creating a structure that reflects Webster s objectives for compensation outlined above while allowing individual variations based on job scope, tenure, retention risk, and other factors relevant to the Committee.

The chart below breaks down total compensation by element, target and pay mix of each component by NEO for the program approved in February 2015. For purposes of this table, pay mix represents the percentage of total direct compensation represented by each component.

2015 Components of Total Direct Compensation at Target

Name and Principal Position	Salary Year-End 2015	Pay Mix	Annual Cash Incentive Target	Pay Mix	Total Cash Compensation Target	Pay Mix	Long-Term Incentive Target	Pay Mix	Total Direct Compensation Target	Pay Mix
James C. Smith Chairman and CEO	$ 925,000	26%	$ 925,000	26%	$ 1,850,000	52%	$ 1,711,250	48%	$ 3,561,250	100%
Joseph J. Savage Executive Vice Chairman[1]	$ 454,704	37%	$ 341,028	28%	$ 795,732	65%	$ 431,969	35%	$ 1,227,701	100%
John R. Ciulla President[2]	$ 480,000	42%	$ 318,500	28%	$ 798,500	70%	$ 341,250	30%	$ 1,139,750	100%
Glenn I. MacInnes EVP and CFO	$ 454,704	38%	$ 303,151	25%	$ 757,855	64%	$ 431,969	36%	$ 1,189,824	100%
Charles L. Wilkins EVP, HSA Bank	$ 345,000	43%	$ 224,250	28%	$ 569,250	70%	$ 241,500	30%	$ 810,750	100%

1 Effective October 28, 2015, Mr. Savage was appointed Executive Vice Chairman of Webster and Webster Bank. There was no effect on his 2015 compensation targets.

[2] Effective October 28, 2015, Mr. Ciulla was promoted from Executive Vice President, Commercial Banking to President of Webster and Webster Bank. The 2015 incentives and pay mix referenced above are based on a blended mix of his salary from both positions.

[3] Mr. Wilkins received a special one-time award in January 2015 (not shown in this table).

Salary

Annual salary is the only fixed component of Webster s executive compensation program. In setting salary, the Committee looks at current pay practices, Peer Group comparisons and general market analysis in consultation with its compensation consultant, McLagan. The Committee then establishes salaries that are competitive to the Peer Group for similar positions. The salaries are reviewed on an annual basis by the Committee.

In the case of a change in role, an officer s new responsibilities, external pay practices, internal equity, past performance and experience are all considered in determining whether a change in salary is warranted.

As part of the Committee s annual salary review, salaries were determined to be reasonably competitive when compared with the actual proxy data of the Peer Group and benchmark survey information. In 2015, two of the NEOs received an adjustment to base salary as a result of this review. Mr. Smith s salary was increased from $883,544 to $925,000. Mr. Ciulla s salary was increased from $364,944 to $450,000 and, as of October 28, from $450,000 to $480,000, which reflects his promotional increase from Executive Vice President, Commercial Banking to President of Webster and Webster Bank.

Annual Cash Incentive Compensation Plan Overview

Annual cash incentive compensation is variable based on performance and ties a significant portion of the NEOs compensation to achievement of the Company s annual financial goals and to financial performance relative to the Peer Group. Measurements for the plan are approved annually by the Committee. For 2015, target incentives were set for each of the NEOs between 25% and 28% of total compensation. The plan is designed so that the weighted average performance for the financial measures must exceed a predetermined threshold before a payout can be made.

The plan is structured to calculate incentives based on two Primary Components:

1. **Corporate Component -** This component has two elements: Financial Performance and Performance Relative to Peer Group. Financial Performance is determined by scoring performance against four pre-established financial measures. Each measure is weighted based on relative importance and then the measures are totaled to determine a weighted score. Adjustments to this score may then be made based on the Committee s assessment of the Company s performance against financial performance goals and their degree of difficulty and the four pre-established financial measures relative to its Peer Group (Performance Relative to Peer Group). In 2015, other than a positive adjustment for Performance Relative to the Peer Group, there were no adjustments to the score.

2. **Line of Business Component -** The Line of Business Component is determined based on the financial performance of the line of business against its goals for the year and an assessment of results against strategic objectives. Adjustments may then be made based on the CEO s and the Committee s assessment of the competitive environment and the degree of difficulty of the goals. The program dictates that the Line of Business Component is not scored or paid out unless the Corporate Component is scored at or above its threshold payout level. Mr. Ciulla, in his previous role of Webster s Executive Vice President, Commercial Banking, and Mr. Wilkins, Webster s Executive Vice President, HSA Bank, are the two lines of business heads among the NEOs.

The two Primary Components are weighted based on each NEO s responsibilities. The weighting of the Primary Components is shown in the chart below:

2015 Weight of Primary Components

Name and Principal Position	Corporate Performance	Line of Business Performance
James C. Smith, Chairman and CEO	100%	0%
Joseph J. Savage, Executive Vice Chairman[1]	100%	0%
John R. Ciulla, President[2]	40%	60%
Glenn I. MacInnes, EVP and CFO	100%	0%
Charles L. Wilkins, EVP, HSA Bank	40%	60%

1 Effective October 28, 2015, Mr. Savage, formerly President, was appointed Executive Vice Chairman of Webster and Webster Bank. Both positions carry a 100% weighting for Corporate Performance.

2 Effective October 28, 2015, Mr. Ciulla was promoted from Executive Vice President, Commercial Banking to President of Webster and Webster Bank. The 2015 compensation weightings referenced above are in conjunction with his prior position as Executive Vice President, Commercial Banking.

CEO Discretion Adjustment for Individual Performance

Based on the CEO s assessment of each NEO s individual performance measured against specific performance objectives, the CEO may use discretion to determine a positive or negative adjustment to the annual cash award. Additionally, the CEO in consultation with the Chief Risk Officer considers potential adjustments based on each NEOs record of identifying, managing and mitigating risk, including an assessment of outcomes in the areas of compliance, operating risk, credit, audit findings or regulatory citing, or other contributions that should be taken into account.

Annual Cash Incentive Scoring

Corporate Component - The Corporate Component is determined by calculating a weighted performance score against four pre-established financial measures (Financial Performance). The resulting score may then be modified up or down at the Committee s discretion by up to 20% based on performance against those four pre-established financial measures relative to Webster s Peer Group. In 2015 the Committee made a 2.1% positive adjustment for financial performance in the 65th percentile of the Peer Group. The Committee has discretion to make adjustments for extraordinary, unusual or non-recurring items. There were adjustments made in the pre-tax pre-provision income and ROE targets to reflect the appropriate treatment of the amortization of the intangible asset due to the acquisition of JP Morgan Chase s HSA business. Scores below 50% on an individual measure are reduced to zero and a total weighted score below 50% on the four goals in the aggregate earns no payout.

The Corporate Component rating generates a potential funding of 0% to 150% of target. A score of 100% would pay out at target. There is an aggregate threshold score of approximately 70%, which generates a payout of 50% of target, below which no payout is earned.

Financial Performance - Webster s 2015 results compared to plan and to 2014 are set forth in the table below.

2015 Annual Cash Incentive - Corporate Financial Performance

Financial Metric	**Threshold**	**Target**	**Maximum**	**Actual**	**Score**	**Weight**	**Payout**	**2014 Actual[2]**
(1) Pre-Tax Pre-Provision Income	$ 299.4	$ 356.5	$ 413.6	$ 349.6	94.0%	35%	32.9%	$ 325.7
(2)Return on Average Equity	7.36%	8.90%	10.44%	8.64%	91.4%	30%	27.4%	8.66%
(3)Efficiency Ratio	62.00%	59.36%	58.35%	59.73%	92.9%	20%	18.6%	59.50%
(4)Credit								
(4a) NPL s / Average Loans[1]	1.35%	1.09%	0.83%	1.03%	111.2%	7.5%	8.3%	0.95%
(4b) NCO s / Average Loans[1]	0.25%	0.20%	0.15%	0.22%	75.9%	7.5%	5.7%	N/A
TOTAL						**100%**	**92.9%**	

1 NPL is an abbreviation for non-performing loans and NCO is an abbreviation for net charge-offs.

2 Pre-Tax Pre-Provision Income, Return on Average Equity and Efficiency Ratio exclude non-recurring items for 2014.

Performance Relative to Peer Group - The Committee has discretion to adjust the weighted score within the Corporate Component by 20% plus or minus of target based on Webster s performance relative to its Peer Group against the same four measures. Due to the acquisitions of Susquehanna Bancshares and City National, and their financial performance data no longer being available, they were not included in the Peer Group comparison for 2015. The table below shows Webster s performance relative to the eleven remaining companies in the Peer Group:

2015 Annual Cash Incentive - Performance Relative to Peer Group

	2015[2]				2014[3]		
Financial Metric[1]	**Results**	**% Rank**	**Weight**	**Weighted Score**	**% Rank**	**Weight**	**Weighted Score**
(1) Pre-Tax Pre-Prov Income/Avg. Assets	1.48%	73%	35%	25.45%	73%	35%	25.45%
(2) Return on Average Equity	8.64%	64%	30%	19.08%	64%	30%	19.08%
(3) Efficiency Ratio	59.97%	91%	20%	18.20%	91%	20%	18.20%
(4) Credit							
(4a) NPL s / Total Loans %	1.03%	9%	7.5%	0.68%	27%	7.5%	2.05%
(4b) NCO s / Total Loans %	0.22%	27%	7.5%	2.05%	36%	7.5%	2.73%
		Weighted Score:		**65.46%**	Weighted Score:		**67.51%**

1 Data as reported by SNL Securities for comparability.

2 Based on 2015 Peer Group as described on page 21.

3 2014 has been adjusted to reflect the change in the Peer Group that occurred in 2015.

Final Corporate Component - The Committee recognized Webster s continued strong performance relative to the Peer Group and determined that a positive adjustment of 2.1% relative to the Peer Group was appropriate. This compares to a 2.2% positive adjustment in 2014.

The Corporate Component is then calculated by taking the Financial Performance score of 92.9% and applying the upward adjustment of 2.1% for Performance Relative to Peer Group for a final score of 95.0% of target. There were no other adjustments made.

2015 Annual Cash Incentive - Financial Performance and Adjustments

Financial Performance	**Peer Group Adjustment**	**Total Adjusted Payout**
92.9%	2.1%	95.0%

Line of Business Component - Given Mr. Ciulla s responsibilities as Head of the Commercial Banking business segment and Mr. Wilkins as Head of the HSA Bank business segment, 60% of each NEO s target bonus is payable based on the financial results of his Line of Business and on results relative to strategic initiatives. The results of Commercial Banking and HSA Bank are noted below:

Mr. Ciulla led the Commercial Banking segment to a record year in which it achieved solid revenue growth and strong year-over-year performance in several key categories resulting in a Line of Business score of 95.6%. Strong loan volume offset continuing pressure on spreads caused by the lower than anticipated interest rate environment, while credit metrics slightly underperformed plan. Credit quality remained strong with commercial classified, non-performing loans and net charge offs within established risk tolerance levels. The Commercial Banking segment delivered $105.6 million in Net Income and a 14.9% Return on Allocated Capital. All five Commercial business units once again delivered positive net income. Commercial Banking continued to generate earnings in excess of the cost of capital and reported solid Economic Profit. Fueled by record loan originations of $3.0 billion, the commercial loan portfolio grew $950 million (+14.5%) to $7.5 billion. Loan growth was evident across all business units and across all geographies, with particular strength in Middle Market banking ($556 million (+18%)) and Commercial Real Estate ($204 million (+9%)), two areas that remain a strategic focus. In addition to core operating relationships, transaction account balances of $2.0 billion represent 64.1% of total commercial deposits, up from 63.7% a year ago. The disciplined deposit pricing strategy with respect to non-transactional accounts continues to yield positive results. Commercial Banking s Treasury and Payment Solutions Group continued to invest and enhance its capabilities to help clients manage cash flow, while driving higher Non-Interest Income. In February, 2016, Webster was awarded two additional Greenwich Excellence awards for client satisfaction for 2015, evidencing its continuing successful focus on high service quality and relationship banking.

Mr. Wilkins led the HSA Bank segment through a year of dramatic growth and change in which it more than doubled accounts, deposits and revenue resulting in a Line of Business score of 124.2%. The growth is a reflection of the successful execution of the business segment s strategy to upgrade its technology and data processing platform, add notional products, enhance capabilities, and expand distribution through carriers and large employers. During the year, HSA Bank completed the implementation and integration of a new processing platform and converted over 1,500,000 accounts to the new experience. In addition, HSA Bank closed on a transaction in January to purchase the JP Morgan Chase HSA portfolio adding approximately 829,000 accounts and over $1.4 billion in deposits including relationships with two national health plan partners. The acquisition and strong organic growth drove a 154% increase in accounts (to 1.75 million), and a 108% increase in deposit balances (to $3.8 billion) year-over-year. As a result, interest income grew 89% to $73 million and fee income increased 125% to $64 million leading to an increase in net revenue of 104% to $138 million and an increase in pre-provision net revenue of 115% to $57 million. HSA Bank has executed the system and portfolio conversions to date with quality and efficiency causing minimal disruption to customers and partners. HSA Bank is well positioned to capitalize on this success in 2016.

The chart below summarizes each NEO s performance for 2015:

Name and Principal Position	Performance Summary
James C. Smith Chairman and CEO	Mr. Smith led Webster s strong financial performance year-over-year and as compared to Webster s Peer Group. He effectively guided Webster s strategic choices including the allocation of capital and other resources to strategies that create value for customers and maximize Economic Profit over time. Notable achievements were record core revenue for the sixth straight year, record net income, another full year with efficiency ratio less than 60% and 92% percentile rank against its Peer Group, improved credit quality, and strong risk management. Webster missed plan for pre-provision net revenue as strong loan growth and disciplined expense control were offset by spread pressure from lower than anticipated interest rates. Webster s value-based culture is strong as measured by continuing strong banker engagement survey results.
Joseph J. Savage Executive Vice Chairman	Mr. Savage served as President of Webster and Webster Bank until the end of October. In this capacity, he provided oversight and guidance to Commercial Banking which achieved superior performance in several key categories, and to Webster Private Bank which completed its shift to a new business model and expanded into Boston. He also provided oversight for Human Resources, introducing new programs that further inculcate Webster s values-guided culture, and upgrading leadership development curriculums that help further build a leadership pipeline. Effective October 28, 2015, Mr. Savage was appointed Executive Vice Chairman in recognition of his continuous contributions and leadership. He retains oversight of Human Resources, chairs the Incentive Compensation Oversight Team and continues to lead key internal leadership development activities and external client development initiatives.
John R. Ciulla President	Effective October 28, 2015, in recognition of his contributions and leadership, Mr. Ciulla was promoted to President of Webster and Webster Bank, and appointed to the Board of Directors of Webster Bank. Mr. Ciulla led the Commercial Bank segment to a record year in which it achieved strong revenue growth and high performance in several key categories, including record loan originations, and increased Economic Profit. Four of the five Commercial Banking business units generated Economic Profit in 2015. Webster was again recognized by Greenwich Associates for excellence in client satisfaction.
Glenn I. MacInnes EVP and CFO	Mr. MacInnes developed initiatives and provided guidance enabling Webster to improve year-over-year financial performance and achieve the Company s financial goals. He further optimized the balance sheet in anticipation of the changing interest rate environment. He led Webster s successful regulatory stress test submission and played an important role in corporate development initiatives, including the acquisition of the JP Morgan Chase HSA portfolio as well as 17 prominently located banking centers in a turn-key de novo transaction in Greater Boston. He further enhanced the financial planning process and internal and external financial reporting.
Charles L. Wilkins EVP, HSA Bank	Mr. Wilkins led the HSA Bank segment through a year of dramatic growth and change in which it more than doubled accounts, deposits and revenue resulting in a Line of Business score of 124.2%. The acquisition of JP Morgan Chase s HSA portfolio accelerated HSA Bank s growth strategy and vaulted HSA Bank to the leading market share in its fast-growing field with more than $4 billion in assets under administration and 1.7 million accounts in all 50 states. The growth is a reflection of the successful execution of the business segment s strategy to upgrade its technology platform in order to add new products and expand distribution through carriers and large employers. During the year, HSA Bank completed the implementation and integration of a new processing platform and converted over 1,500,000 accounts to the new experience.

CEO Discretion Based on Individual Performance

The individual performance is determined through the annual review process as part of the Company-wide performance management process. Each NEO is evaluated based on achievement of individual performance objectives which include strategic goals, personal behavior, risk management, regulatory compliance, and people leadership. The Committee evaluates the CEO, and the CEO evaluates the other NEOs in consultation with the Committee.

Total 2015 Annual Cash Incentive Compensation - Upon completing scoring of the two Primary Components (Corporate, and Line of Business), the scores are applied to the CEO s and each NEO s annual cash incentive target based on the weightings in the Weight of Primary Component Table on page 24 to calculate the award. The Committee retains discretion to adjust the CEO s calculated annual cash incentive award. The CEO retains discretion, in consultation with the Committee, to adjust the NEOs calculated annual cash incentive awards. A thorough review of risk management across the company, including the areas of regulatory, internal audit, credit and operating risk, compliance and Sarbanes-Oxley (SOX) controls resulted in adjustments to Messrs. MacInnes and Wilkins incentives at the discretion of the CEO. No other adjustments were made. The final tabulations for annual cash incentive compensation are set forth below.

2015 Annual Cash Incentive Compensation

Name and Principal Position	Annual Cash Incentive Target	Corporate Score[1]	Line of Business Score (if applicable)[1]	Calculated Award	CEO Discretionary Adjustment	Total Annual Cash Incentive Award	Award as a Percent of Target
James C. Smith Chairman and CEO	$925,000	95.0%		$878,750		$878,750	95%
Joseph J. Savage Executive Vice Chairman	$341,028	95.0%		$323,977		$323,977	95%
John R. Ciulla President	$318,500	95.0%	95.6%	$303,849		$303,849	95.4%
Glenn I. MacInnes EVP and CFO	$303,151	95.0%		$287,994	($10,000)	$277,994	91.7%
Charles L. Wilkins EVP, HSA Bank	$224,250	95.0%	124.2%	$252,281	($5,000)	$247,281	110.3%

1 Corporate Officers are weighted 100% on the Corporate Component; Line of Business Officers are weighted 40% on the Corporate Component, 60% on the Line of Business Component.

2013 Performance Shares Paid in 2016

In 2013, Performance Shares were granted to executives, including the NEOs except for Mr. Wilkins who was not an employee at that time. These had a three-year performance period ending December 31, 2015. 50% of the payout was based on the average of Webster s ROE calculated annually each year during the three-year period and the other 50% was based on relative TSR against peers at the end of three-years. Payout ranges were set for both metrics with a threshold level set at 50% payout and maximum performance at 200% payout. The actual results for the 2013 Performance Shares was a payout of 145.7%.

2015 Long-Term Incentive Compensation Granted in February 2016 Plan Overview

Following a market review in late 2013 against the Peer Group and in consideration of certain emerging trends in LTI practices, including the declining usage of stock options in the market, it was decided to cease the practice of granting stock options and to replace a portion of that grant with time-vested restricted shares, while increasing the portion of performance based restricted stock (Performance Shares) as a portion of LTI awards. Accordingly, the Board approved the Committee s recommendation to increase the weighting of Performance Shares as a portion of LTI from 60% to 75%, consistent with Webster s pay-for-performance compensation philosophy, and to grant 25% of LTI in the form of time-vested restricted shares. The Committee believes that increasing the portion of Performance Shares and replacing the balance of stock options with restricted shares, coupled with its decision to reduce the maximum Performance Share payout to 150% from 200%, ensures that our compensation programs are closely aligned with shareholders interests and do not encourage excessive risk taking.

The Committee may increase or decrease the CEO s LTI or the other NEOs LTI based on a variety of factors including the Company s prior year performance against financial and strategic goals. The Committee determines the recommended grant for the CEO and considers the CEO s recommendation for the other NEOs.

Long Term Incentive Vehicles: Webster awarded two forms of LTI grants, performance shares and restricted stock as displayed in the table below:

Long Term Incentive Vehicles

Vehicle	Vesting	Rationale	Vehicle Mix
Performance Shares	Vests at the conclusion of three-year performance period	To align LTI to the achievement of Company total shareholder return and return on equity	75%
Time-Vested Restricted Stock	One third vests per year	To provide LTI and retention value to the NEOs and other executives	25%

Performance Shares: Performance Shares vest at the conclusion of the three-year performance period and the Committee certifies the results based 50% on Company three-year total shareholder return relative to Webster s Peer Group and 50% on the three-year average return on equity compared to plan. Performance must meet threshold levels or the shares are forfeited.

Three-year Total Shareholder Return reflects the rate of return reflecting price appreciation plus reinvestment of dividends calculated as follows: (ending stock price beginning price + dividends paid per share) / beginning stock price.

Peer Group reflects Webster s Compensation Peer Group listed in the Compensation Peer Group section.

Average Return on Equity is calculated as the ratio of adjusted net income to adjusted average equity. The average return on equity targets are set annually during the performance period by the Committee giving consideration to the Board approved strategic plan set at the end of the prior year. The score is calculated each year and then averaged over three years.

Payout Determination for Performance Shares Granted in February 2016 Based on 2016-2018 Performance

Payout Metric	Below Threshold Payout	Threshold Payout	Target Payout	Maximum Payout
Peer-relative three-year Total Shareholder Return	0%	62%	100%	150%
Average Return on Equity over three-year period	0%	10%	100%	150%

The Company does not vest performance based restricted stock for performance below threshold. A threshold level of performance must be met for each metric in order for payment to be earned. For Total Shareholder Return, threshold performance is the 31^{st} percentile of our Peer Group and for ROE, threshold performance is 83% of target. Once threshold performance is achieved, actual awards will be interpolated between threshold and 150% of target based on performance relative to market, below which there is no payout. As noted above, beginning with 2014 awards, the maximum funding payout was reduced to 150% of target, from 200%, consistent with the Committee s goal to ensure our compensation programs do not encourage excessive risk taking.

2016 Long Term Incentive Grant - The February 2016 LTI grants were made in the form of 75% Performance Shares and 25% time-vested restricted stock, as described above, based in part on each NEO s 2015 performance and granted based on the NEOs 2015 base pay and LTI target percent. The Committee approved grants at 100% of that target for Mr. Smith and, based on Mr. Smith s recommendation at 100% of target for Messrs. Savage, Ciulla, MacInnes and Wilkins. The individual performance of each NEO on which the February 2016 grants were based is described in detail beginning on page 28.

The 2016 grants are shown in two non-required tables below for the purpose of setting forth clearly the compensation earned for 2015 performance. The first table is 2016 Long Term Annual Incentive Compensation based on 2015 performance and the second is the two-year supplemental Summary Compensation Table. Note that grants made in 2016, even though made in part based on 2015 performance, are not reflected in the required Summary Compensation Table on page 36 and will be reflected in next year s Summary Compensation Table.

2016 Long-Term Incentive Compensation (for 2015 Performance)

Name and Principal Position	Long-Term Incentive Target	Grant as a Percent of 2015 Target	Long-Term Incentive Grant
James C. Smith, Chairman and CEO	$ 1,711,250	100%	$ 1,711,250
Joseph J. Savage, Executive Vice Chairman	$ 431,969	100%	$ 432,000
John R. Ciulla, President	$ 341,250	100%	$ 341,300
Glenn I. MacInnes, EVP and CFO	$ 431,969	100%	$ 432,000
Charles L. Wilkins, EVP, HSA Bank	$ 241,500	100%	$ 241,500

The chart below shows total direct compensation approved by the Committee for 2015 and 2014 performance. LTI grants made in February 2016 are based in part on 2015 performance and are reflected in 2015 Total Direct Compensation. LTI grants made in February 2015 are based in part on 2014 performance and are reflected in 2014 Total Direct Compensation. Although the 2016 grants will be discussed in next year s CD&A, we have determined to voluntarily disclose the grants in the table set forth below under year 2015 Total Direct Compensation. The 2016 and 2015 grants were in Performance Shares and time-vested restricted stock as described above.

Two-year Supplemental Summary Compensation Table (reflects 2016 Long-Term Incentive Grants for 2015 Performance and 2015 Long-Term Incentive Grants for 2014 Performance)

Name and Principal Position	Performance Year	Year-End Salary	Annual Cash Incentive	2016 Long-Term Incentive Grants for 2015 Performance[1] 2015 Long-Term Incentive Grants for 2014 Performance[2]	Total Direct Compensation Received for Performance $
James C. Smith	2015	$ 925,000	$ 878,750	$ 1,697,706	$ 3,515,000
Chairman and CEO	2014	$ 883,544	$ 861,455	$ 1,790,492	$ 3,535,491
Joseph J. Savage	2015	$ 454,704	$ 323,977	$ 428,566	$ 1,210,681
Executive Vice Chairman	2014	$ 454,704	$ 295,600	$ 451,981	$ 1,202,285
John R. Ciulla	2015	$ 480,000	$ 303,849	$ 338,603	$ 1,125,149
President	2014	$ 364,944	$ 290,000	$ 353,105	$ 1,008,049
Glenn I. MacInnes	2015	$ 454,704	$ 277,994	$ 428,566	$ 1,164,698
EVP and CFO	2014	$ 454,704	$ 295,600	$ 451,981	$ 1,202,285
Charles L. Wilkins	2015	$ 345,000	$ 247,281	$ 239,593	$ 833,781
EVP, HSA Bank	2014	$ 295,000	$ 220,000	$ 252,657	$ 767,657

1 2016 LTI Performance Share grants for 2015 performance are based on the following valuation: for the portion based on ROE, Webster used the closing price of February 24, 2016; for the portion based on TSR, Webster used the Monte Carlo valuation.

2 2015 LTI Performance Share grants for 2014 performance are based on the following valuation: for the portion based on ROE, Webster used the closing price of February 25, 2015; for the portion based on TSR, Webster used the Monte Carlo valuation.

2015 Long Term Incentive Grant - Similarly, LTI grants made in February 2015 were based in part on each NEO s 2014 performance and granted based on the NEOs 2015 compensation components. The Committee approved grants as shown in the chart below. The individual performance of each NEO on which the February 2015 grants were based is described in detail beginning on page 33 and is included as 2015 compensation in the required 2015 Summary Compensation Table on page 36.

2015 Long-Term Annual Incentive Compensation (for 2014 Performance)

Name and Principal Position	Long-Term Incentive Target	Grant as a Percent of 2014 Target	Long-Term Incentive Grant
James C. Smith, Chairman and CEO	$ 1,634,556	105%	$ 1,711,250

Joseph J. Savage, Executive Vice Chairman	$	404,232	107%	$	431,970
John R. Ciulla, President	$	284,656	119%	$	337,500
Glenn I. MacInnes, EVP and CFO	$	404,232	107%	$	431,970
Charles L. Wilkins, EVP, HSA Bank	$	241,500	100%	$	241,500

NEO 2014 Performance as previously reported:

Name and Principal Position	LTI 2015 Grants Awarded as a % of target (Based on 2014 Performance)	2014 Performance Summary
James C. Smith Chairman and CEO	100%	Mr. Smith led Webster s strong financial performance year-over-year and as compared to Webster s Peer Group. He effectively guided Webster s strategic choices including the allocation of capital and other resources. Notable achievements were record core revenue for the fifth straight year, a much improved efficiency ratio to less than 60%, improved credit quality, and strong risk management. Net income and EPS increased year-over-year. Webster s value-based culture is strong as measured by continuing strong banker engagement scores. Mr. Smith provided strategic guidance and oversight with regard to the acquisition of JP Morgan Chase s HSA platform.
Joseph J. Savage Executive Vice Chairman	100%	Effective January 1, 2014, in recognition of his contributions and leadership, Mr. Savage was promoted to President of Webster and Webster Bank, and appointed to the Board of Directors of Webster Bank. Mr. Savage provided oversight and guidance to Commercial Banking which achieved high performance in several key categories, and to Webster Private Bank, which completed a strategic model shift and significant reorganization in 2014. He led recruitment of new leadership for Human Resources, introduced programs that further inculcate Webster s value-guided culture, and upgraded Webster s Talent Management and Leadership Development programs.
John R. Ciulla President	100%	Promoted to Head of Commercial Banking effective January 1, 2014, Mr. Ciulla led the segment to a record year in which it achieved double digit revenue growth, and high performance in several key categories, including growth in Economic Profit, loan originations and operating balances. All five Commercial Banking business units generated Economic Profit in 2014. Commercial Banking exceeded Plan on all critical asset quality metrics. Webster was again recognized by Greenwich Associates for excellence in middle market customer satisfaction in the northeast and nationally.
Glenn I. MacInnes EVP and CFO	100%	Mr. MacInnes developed initiatives and provided guidance enabling Webster to improve year-over-year financial performance and achieve the company s financial goals, including efficiency ratio and operating leverage targets. He further optimized the balance sheet in anticipation of the changing interest rate environment. He led corporate development initiatives, including the acquisition of JP Morgan Chase s HSA platform, and other successful capital actions during the year. He further improved Webster s internal controls and enhanced the financial planning process and internal and external financial reporting.
Charles L. Wilkins[1] EVP, HSA Bank	100%	Mr. Wilkins led the HSA Bank segment through a year of strategic change and record growth as multiple investments were made to position HSA Bank to better serve our account holders and enhance our long-term competitiveness. HSA Bank broadened its product set and deployed an industry leading technology platform for healthcare accounts in order to deliver a best-in-class experience to partners, employers and consumers. In September 2014, HSA Bank reached agreement to acquire the health savings account business of JP Morgan Chase which resulted in HSA Bank becoming the industry leader with more than 1.6 million accounts and over $4.5 billion in assets under administration.

1 Mr. Wilkins performance was not previously disclosed

Retirement Plans

Pension Plan - Webster Bank maintains a frozen defined benefit pension plan. Webster stopped benefit accruals under the plan for all employees, including the NEOs, after December 31, 2007. The Pension Benefits section of this Proxy Statement details pension benefits for the NEOs.

401(k) Plan - Webster Bank maintains a defined contribution 401(k) plan for eligible employees, including the NEOs. All participants in the plan, including each of the NEOs, are eligible to make pre-tax contributions from 1% to 25% of their pay, up to Internal Revenue Code (IRC) limits ($18,000 in 2015). Webster Bank matches the employee s contributions on a dollar for dollar basis for the first 2% of pay the employee contributes and then 50 cents on the dollar for up to the next 6% of pay the employee contributes. In addition, Webster provides transition credits ranging from 1% to 6% of pay for those employees, including NEOs, who were hired before January 1, 2007 and had reached age 35 or older on January 1, 2008. The purpose of transition credits is to help offset the impact of freezing the pension plan. A two-year vesting schedule applies to all Webster contributions. Under IRC limits, annual compensation in excess of $265,000 in 2015 may not be taken into account for determining benefits or contributions under the qualified plan. Employees who are age 50 or older by the last day of the year may contribute an additional $6,000 to the plan.

Supplemental Defined Benefit Plan - Webster Bank maintains a frozen non-qualified supplemental defined benefit plan for certain executives, including NEOs, who were participants in the pension plan. The purpose of the plan was to provide these individuals with supplemental pension benefits in excess of IRC limits for tax qualified pension plans. The plan was frozen as of December 31, 2007. Thus, service and compensation after this date are not used in calculating an NEO s benefit from the plan.

Supplemental Defined Contribution Plan - Webster Bank maintains a non-qualified supplemental defined contribution plan for certain executives, including the NEOs. This plan provides each NEO with an allocation to their supplemental 401(k) account equal to the additional match and transition credit contributions that the NEO would have received in the qualified 401(k) plan if there were no IRC compensation or deferral limits.

Non-Qualified Deferred Compensation Plan - The executive officers, including each of the NEOs, were eligible to participate in a voluntary non-qualified deferred compensation plan. The plan allowed employees at the senior vice president level and above to defer a portion of their compensation because of the statutory limits under the qualified plan. All deferrals under this plan ceased as of January 1, 2012.

Employment Agreements

The NEOs do not have employment agreements; however, Messrs. Smith, Savage, Ciulla, MacInnes and Wilkins are subject to change in control and non-competition agreements.

Other Executive Benefits

Webster offers a limited number of benefits to the NEOs and other executives in addition to the broad-based employee benefits program. Each benefit supports a specific objective, but falls within the overall purpose of recognizing leadership responsibility and contributions to the Company s goals. Management reviews the benefits with the Committee for consistency with Webster s organizational culture and market practices. These benefits are described in footnote 5 to the Summary Compensation Table.

Post-Termination Arrangements

Webster s change in control practices are designed to retain the NEOs during rumored and actual change in control activity. During these times, continuity is a key factor in preserving the value of the business. Webster also provided other termination benefits designed to facilitate changes in key executives as needed.

The amounts payable, triggering events and other terms of Webster s change in control and other termination arrangements are set at the time of hire by the Committee based on Company policy and competitive market information. Webster reviews the provisions of the change in control agreements annually. In 2012 and 2013, Webster amended all of the change in control agreements for the NEOs, removing the gross-up provisions and modifying the severance formula so that the bonus component is based on target bonus rather than the highest bonus in the prior three years. In 2012, Webster also amended the Stock Option Plan to provide for accelerated vesting of equity awards if a change in control occurs and the eligible individual is terminated without cause or resigns for good reason within two years following the change in control.

Executive Stock Ownership

Webster believes 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. Webster has adopted formal stock ownership guidelines for all of the executive officers, including the NEOs.

2015 Stock Ownership Guidelines

Name and Principal Position	Multiple of Base Salary	Value of Multiple	Target Ownership Status
James C. Smith, Chairman and CEO	6X	$ 5,550,000	Met
Joseph J. Savage, Executive Vice Chairman	4X	$ 1,818,816	Met
John R. Ciulla, President	4X	$ 1,920,000	Has Not Met
Glenn I. MacInnes, EVP and CFO	3X	$ 1,364,112	Met
Charles L Wilkins, EVP, HSA Bank	3X	$ 1,035,000	Has Not Met

Once achieved, ownership of the guideline amount must be maintained for as long as the executive is subject to the stock ownership guidelines. Even if stock ownership guidelines have been achieved, NEOs are required to continue to hold all net vested restricted stock and Performance Shares and net shares of Common Stock delivered after exercising stock options for a minimum of one year. NEOs who do not meet the guidelines further agree to hold all net Common Stock received through LTI awards until they achieve their respective ownership thresholds. As of December 31, 2015, Messrs. Smith, Savage, and MacInnes met the stock ownership guidelines. As of December 31, 2015, Messrs. Ciulla and Wilkins are making satisfactory progress toward the ownership goal.

Directors, officers and employees of Webster are prohibited from hedging their ownership of Webster securities, including through the use of options, puts, calls, short sales, futures contracts, equity swaps, collars or other derivative instruments relating to Webster securities, regardless of whether such directors, officers and employees have material non-public information about Webster. Directors and Executive Officers are prohibited from pledging their Webster securities as collateral for a loan.

Policy on Internal Revenue Code Section 162(m)

The Internal Revenue Code Section 162(m) limits the deduction available for compensation paid to the CEO and the three most highly compensated executive officers other than the chief financial officer to the extent the compensation paid to any such person exceeds $1,000,000, unless such compensation was based on performance goals determined by a Committee consisting solely of two or more non-employee directors and the performance goals are approved by the shareholders prior to payment.

Webster s compensation programs are generally structured to comply with IRC Section 162(m). Where applicable, Webster will endeavor to structure compensation as exempt performance based compensation. Webster does, however, reserve the right to determine to pay compensation to the executive officers, including the CEO, which may not be deductible under Section 162(m) of the IRC.

COMPENSATION OF EXECUTIVE OFFICERS

The following tables contain certain compensation information for the CEO, the Executive Vice Chairman, the President, the Chief Financial Officer and the Executive Vice President, HSA Bank.

Summary Compensation Table

Salary, bonus, incentive payments and other compensation amounts to Webster s NEOs are summarized in the following table. Some of the amounts below represent the opportunity to earn future compensation under performance based compensation incentives that may be forfeited based on future performance vesting. As a result of mixing compensation paid and contingent compensation, the totals shown in the Summary Compensation Table includes amounts that the named executives may never receive.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)[1]	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[3]	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)[4]	All Other Compensation ($)[5]	Total ($)
James C. Smith	2015	925,000		1,790,492		878,750	442,200	354,998	4,391,440
Chairman & Chief	2014	882,435		1,626,823		861,455	1,543,500	245,273	5,159,486
Executive Officer	2013	879,800		1,139,256	1,385,048	792,000	0	709,416	4,905,520
Joseph J. Savage[6]	2015	454,704		451,981		323,977	1,700	108,164	1,340,526
Executive Vice	2014	453,310		399,830		295,600	78,900	91,075	1,318,715
Chairman	2013	380,000		214,509	260,793	271,000	0	96,143	1,222,445
John R. Ciulla[7]	2015	455,768		797,345		303,849	0	78,298	1,635,260
President	2014	363,479		280,895		290,000	3,200	52,111	1,009,685
	2013	310,708		139,985	170,187	241,136	0	58,542	920,558
Glenn I. MacInnes	2015	454,704		451,981		277,994		63,639	1,248,318
Executive Vice	2014	453,310		399,830		295,600		43,298	1,192,037
President, Chief	2013	400,000		244,992	297,838	225,000		54,325	1,222,155
Financial Officer									
Charles L. Wilkins[8]	2015	345,000		575,657		247,281		97,716	1,265,654
Executive Vice	2014	294,059	220,000	233,793		20,300		98,583	866,735
President, HSA Bank	2013								

1 Amounts shown in this column are based on the grant date fair value related to restricted stock awards at target made in 2013, 2014 and 2015, in accordance with FASB ASC Topic 718. In 2014 and 2015, Webster granted 25% time-vested restricted stock with a vesting schedule where one-third of the award will vest each year and 75% as performance vested stock with a three-year performance period. In 2013, Webster granted 60% of the equity award in performance vested stock with a three-year performance period and 40% in stock options. For more information, see Compensation Discussion and Analysis herein.

2 Amounts shown in this column are based on the grant date fair value related to stock option awards made in 2013, in accordance with FASB ASC Topic 718. No stock options were granted in 2014 and 2015.

3 Amounts shown in this column represent cash awards paid under the performance based annual incentive plan.

4 Webster Bank maintains both a frozen tax-qualified pension plan and a frozen non-qualified supplemental defined benefit plan. These are described more fully in the Pension Benefits section of this Proxy Statement. Benefit accruals for service and compensation were frozen after December 31, 2007. The change in pension value in 2015 is primarily due to the increase in interest rates used to calculate the present value of the benefits and actuarial increases for executives over age 65. The amounts in this column reflect the change in the actuarial present value of the NEOs benefits under both plans determined using interest rate and mortality assumptions consistent with those used in the Company s financial statements. Specifically, the assumptions used to value the accumulated benefits at December 31, 2015 consisted of a 4.20% interest rate for the qualified plan versus 3.85% in 2014, a 3.75% interest rate for the non-qualified supplemental plan (4.20% for benefits payable as a lump sum) versus 3.50% in 2014, and the RP-2014 with MMP-2007 Mortality Table. The changes in pension value in 2015 under the tax-qualified pension plan and non-qualified pension plan for each NEO were as follows:

Name	Change in Qualified Pension Value ($)	Change in Non-Qualified Pension Value ($)	Total ($)
James C. Smith	(17,600)	459,800	442,200
Joseph J. Savage	900	800	1,700
John R. Ciulla	0		0
Glenn I. MacInnes			
Charles L. Wilkins			

5 All Other Compensation includes amounts contributed or allocated, as the case may be, to the 401(k) plan (excluding the NEOs contributions to the qualified 401(k) plan), the non-qualified supplemental defined contribution plan, dividends paid on unvested restricted stock and on earned performance-based stock awards, a car allowance, which was discontinued in 2014, a premium on a term life insurance policy and costs for a home security system for 2013, which was discontinued in 2014. Mr. Smith also received a premium on a supplemental Long Term Disability policy in 2013, which was discontinued in 2014. Mr. Smith received a one-time premium of $55,280 on a term life insurance policy in 2015. Mr. Wilkins received relocation benefits of $48,183 in 2015 and $84,737 in 2014. All Other Compensation items in the Summary Compensation Table include the following amounts:

Name	Company Contributions to 401(k) Plan ($)	Supplemental Defined Contribution Plan ($)	Dividends ($)
James C. Smith	27,547	168,963	89,883
Joseph J. Savage	27.547	54,987	21,466
John R. Ciulla	16,947	35,257	22,589
Glenn I. MacInnes	11,647	25,868	23,728
Charles L. Wilkins	11,647	16,368	12,573

6 Mr. Savage was appointed to Executive Vice Chairman effective October 28, 2015.

7 Mr. Ciulla was promoted to President effective October 28, 2015. The salary for Mr. Ciulla was $450,000 until October 28, 2015; effective October 28, 2015, the salary for Mr. Ciulla was $480,000. The amount in the Stock Awards column for Mr. Ciulla includes a special award of restricted stock, granted March 20, 2015, of $444,240.

8 Mr. Wilkins was hired on January 3, 2014 as Executive Vice President, HSA Bank. The amount in the Stock Awards column for Mr. Wilkins includes a special award of restricted stock, granted January 2, 2015 of $323,000. For 2014, Mr. Wilkins was given a sign-on bonus of $25,000 and a guaranteed bonus of $195,000. Mr. Wilkins was also given an equity award of restricted stock valued at $49,893 at hire.

Grants of Plan-Based Awards

During the fiscal year ended December 31, 2015, the following table sets out all non-equity incentive plan and equity incentive plan awards that were made to the NEOs.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Closing Price on Grant Date	Grant Date Fair Value of Stock and Option Awards
Name	**Grant Date**	**Threshold ($)[1]**	**Target ($)[1]**	**Maximum ($)[1]**	**Threshold (#)[2]**	**Target (#)[2]**	**Maximum (#)[2]**	**(#)**	**(#)**	**($/Sh)**	**($)**	**($)[3]**
James C. Smith	02/25/2015	462,500	925,000	1,850,000	14,096	37,593	56,390	12,531			34.45	1,790,491
Joseph J. Savage	02/25/2015	170,514	341,028	682,056	3,559	9,490	14,235	3,163			34.45	451,981
John R. Ciulla	02/25/2015	159,250	318,500	637,000	2,780	7,414	11,121	2,471			34.45	353,105
	03/20/2015							12,000			37.02	444,240
Glenn I. MacInnes	02/25/2015	151,576	303,151	606,302	3,559	9,490	14,235	3,163			34.45	451,981
Charles L. Wilkins	01/02/2015							10,000			32.30	323,000
	02/25/2015	112,125	224,250	448,500	1,989	5,305	7,958	1,768			34.45	252,657

1 Columns represent the potential payouts to each of the NEOs resulting from an award pursuant to the annual incentive compensation plan, subject to achievement of pre-established performance goals discussed on page 25 of this Proxy Statement. Actual amounts earned by Messrs. Smith, Savage, Ciulla, MacInnes and Wilkins are set forth under the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 36 of this Proxy Statement.

2 Represents the threshold, target and maximum number of Performance Shares that may vest if performance targets with regard to the 2015 through 2017 performance period are satisfied. Dividends will be deferred on the unearned Performance Shares and will be paid out upon conclusion of the performance period to the extent earned.

3 Represents the grant date fair value, computed in accordance with FASB ASC Topic 718 of all equity awards granted in 2015.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth outstanding option awards and unvested stock awards held by Webster s NEOs as of December 31, 2015.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options[1] (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Price ($)	Option Expiration Date	Number of Shares or Units That Have Not Vested (#)	Market Value of Shares or Units That Have Not Vested[2] ($)	Equity Incentive Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)	Equity Incentive Awards: Market of Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[2] ($)
James C. Smith	64,483			48.88	12/19/2016				
	106,199			32.03	12/18/2017				
	163,674			12.85	12/16/2018				
	112,371			23.81	2/22/2022				
	84,248	42,125		23.00	2/20/2023			47,390[3]	1,762,434
								41,035[5]	1,526,092
						12,531[6]	466,028	37,593[7]	1,398,084
Joseph J. Savage	10,079			48.88	12/19/2016				
	16,601			32.03	12/18/2017				
	21,335			23.81	2/22/2022				
	15,863	7,932		23.00	2/20/2023			8,923[3]	331,846
						2,242[4]	83,380	10,085[5]	375,061
						3,163[6]	117,632	9,490[7]	352,933
John R. Ciulla	11,579			43.26	9/18/2017				
	8,622			32.03	12/18/2017				
	22,899			12.85	12/16/2018				
	13,808			23.81	2/22/2022				
	10,352	5,176		23.00	2/20/2023			5,823[3]	216,557
						1,575[4]	58,574	7,085[5]	263,491
						2,471[6]	91,896	7,414[7]	275,727
						12,000[9]	446,280		
Glenn I. MacInnes	24,164			23.81	2/22/2022				
	18,116	9,059		23.00	2/20/2023			10,191[3]	379,003
						2,242[4]	83,380	10,085[5]	375,061
						3,163[6]	117,632	9,490[7]	352,933

Charles L. Wilkins	1,638[8]	60,917		
	1,005[4]	37,376	4,522[5]	168,173
	10,000[10]	371,900		
	1,768[6]	65,752	5,305[7]	197,293

[1] The remaining unexercisable stock options were fully vested on February 20, 2016.

[2] Market value calculated by multiplying the closing market price of Webster s Common Stock on December 31, 2015, or $37.19, by the number of shares of stock.

[3] The performance criteria will be evaluated after the close of the performance period on December 31, 2015.

[4] One third of the restricted stock award has vested and was transferred on February 19, 2015, the first anniversary of the grant; one-third of the restricted stock award will vest and be transferable on

February 19, 2016, the second anniversary of the grant; the final third of the restricted stock award will vest and be transferable on February 19, 2017, the third anniversary of the grant.

5 The performance criteria will be evaluated after the close of the performance period on December 31, 2016.

6 One third of the restricted stock award will vest and be transferable on February 25, 2016, the first anniversary of the grant; one-third of the restricted stock award will vest and be transferable on February 25, 2017, the second anniversary of the grant; the final third of the restricted stock award will vest and be transferable on February 25, 2018, the third anniversary of the grant.

7 The performance criteria will be evaluated after the close of the performance period on December 31, 2017.

8 The restricted stock award will vest entirely and be transferable on January 3, 2017, the third anniversary of the grant.

9 One fourth of the restricted stock award will vest and be transferable on March 20, 2018, the third anniversary of the grant; one fourth of the restricted stock award will vest and be transferable on March 20, 2019, the fourth anniversary of the grant; the final half of the restricted stock award will vest and be transferable on March 20, 2020, the fifth anniversary of the grant.