People’s United Financial, Inc.
Corporate Governance Principles

The Board of Directors (the “Board”) of People’s United Financial, Inc. (the “Company”) has adopted this statement of Corporate Governance Principles as a summary of the Board’s philosophy and expectations with respect to the Company’s corporate governance process. This statement should be read in conjunction with the Company’s other corporate governance documents, including, but not limited to, its certificate of incorporation and by-laws; the charters of Company Board committees; the Company’s Code of Conduct; and other policies relating to specific governance matters.

I. The Board of Directors

Primary Functions

The Board has responsibility for oversight of the performance of the Company’s business and operations. It approves the Company’s strategy, as developed by management; oversees management’s implementation of the Company’s strategy; establishes the Company’s risk tolerance and oversees its enterprise risk management process; oversees and monitors management’s processes for internal controls and its accuracy and completeness of financial reporting; establishes the Company’s corporate governance structure and its corporate values; conducts management and Board succession planning and approves Director and executive compensation.

The Board reviews the Company’s financial performance on a regular basis at Board meetings and through periodic updates, with a particular focus on peer and competitive comparisons. These reviews include the view of management as well as those of investors and securities analysts.

Committee Structure

As permitted under the Company’s by-laws, the Board has established standing committees to assist the Board in fulfilling its oversight responsibilities. Currently, the Board has four standing committees: the Audit Committee, the Compensation Committee, the Enterprise Risk Committee, and the Nominating and Corporate Governance Committee. Each of these committees operates pursuant to a written charter that articulates the purpose and role of the committee, as well as any qualifications for committee membership.

Copies of committee charters can be found on the People’s United Bank website at Board Committee Structure (www.peoples.com/peoples/Footer/About-People's-United/Investor-Relations/Board-Committee-Structure). These charters are reviewed and approved annually by the Board. Minutes of all committee meetings are maintained and are provided to the entire Board, generally at the next regularly scheduled Board meeting following a committee meeting. Membership on committees is reviewed each year by the NCGC and is approved each year by the Board. The Board does not have a policy requiring rotation of committee assignments or
chairmanships, but periodically evaluates membership and chair positions in order to balance the mix of skills and experience among committee members and to accommodate the interests of directors.

**The Board’s Role in Corporate Governance**

The Board acts as a committee of the whole with respect to decisions related to committee structure and membership, Board composition, Director compensation and other corporate governance matters. To assist the Board in fulfilling its responsibilities, the NCGC will assist the Board in the implementation of corporate governance principles.

**Board Size and Composition**

The Company’s by-laws provide that the Board shall comprise at least five but not more than fifteen members, with the exact number to be determined from time to time by resolution of the Board. In determining the size and composition of the Board, the Board endeavors to balance having a membership that collectively represents a broad range of skills and perspectives, while remaining small enough to function efficiently. It is the Board’s intention that a substantial majority of Board members shall at all times qualify as “independent” under applicable listing and regulatory standards.

**Board Self – Assessment**

The Board will conduct an annual self-evaluation, under the direction of the NCGC, for the purpose of examining the function and performance of the Board and its committees. This process shall also include annual self-assessments by each Board committee, relying on the review process similar to that used by the Board.

**Succession Planning**

The Board is responsible for conducting succession planning for the CEO and other members of executive management. The NCGC will coordinate the Board’s review of matters related to executive officer succession, senior management depth and organizational structure.

**Director Compensation**

The Compensation Committee will administer the directors’ compensation and benefit plans according to the terms of such plans, and will make recommendations to the full Board concerning director compensation.
II. Directors and Director Qualifications

Nominations to the Board

The Company’s certificate of incorporation and by-laws provide that nominations of candidates for election as directors may be made only by the Board or by a holder of record of stock of the Company entitled to vote for the election of directors.

Director Qualifications and Selection

The NCGC identifies possible candidates for Board service and is charged with responsibility for evaluating proposed nominations, including those proposed by shareholders. The NCGC selects those nominees who will be presented by the Board for election by the shareholders, or appointed by the Board in the case of vacancies arising between annual meetings.

Minimum Qualifications - The NCGC has established minimum qualifications for Board service, which are applied to all nominations made by the Board. The NCGC will not recommend the nomination of any person for election to the Board if:

- in the opinion of the NCGC, actual or apparent conflicts of interest exist that would substantially interfere with the ability of such person to fulfill his or her duties as a director;
- in the opinion of the NCGC, the person would not, or could not, effectively represent the best interests of the Company and all of its shareholders;
- Board service would be prohibited under any applicable law or regulation, including, but not limited to, rules prohibiting interlocking directorships;
- the nomination did not comply with the requirements the Company’s certificate of incorporation, relating to nominations proposed by shareholders; or
- the person has not agreed to tender his or her resignation in the event such person fails to receive the required number of votes for re-election.

Other Factors - In addition to the minimum qualifications outlined above, in evaluating proposed candidates for nomination by the directors, the NCGC will consider the following factors:

- whether, in the opinion of the NCGC, the candidate exhibits individual qualities, including personal and professional integrity, judgment and collegiality, that will ensure that the candidate will work effectively with the rest of the Board in serving the long-term best interests of the Company and its shareholders;
- the skills, personal attributes and professional qualifications of the candidate, in light of the total mix of skills, personal attributes and professional qualifications found within the Board as a whole;
- the extent to which the candidate would enhance the diversity of perspective and life experience among members of the Board;
- whether, in the opinion of the NCGC, the candidate has demonstrated a commitment to the betterment of the communities that the Company serves; and

- whether the candidate would be considered “independent” for purpose of service on the Board or any of its committees. It is the Board’s intention that a substantial majority of Board members shall at all times qualify as “independent” under applicable listing and regulatory standards.

**Director Independence**

The Board annually considers the independence of each member of the Board, using criteria specified in applicable NASDAQ Stock Market rules. A director will be considered independent if the director has no relationship with the Company or its affiliates which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and has no relationships that would preclude a finding of independence under applicable NASDAQ Stock Market rules. The non-management members of the Board meet regularly in executive session without members of management in attendance. Decisions concerning the compensation of the CEO and the members of the executive-level Management Committee are made by the independent members of the Board, based on recommendations from the Compensation Committee. The CEO is not present during deliberations or voting related to his compensation.

**Board Leadership**

The Board believes that it is important to select its Chairman and the Company’s CEO in a manner it considers to be in the best interests of the Company at any given point in time. Accordingly, the Board does not have a fixed policy on whether the roles of Chairman and CEO should be separate or combined. The Board has determined, however, that in the event the Chairman is also an executive officer of the Company, then there should also be a “Lead Director” who is an independent director with the following duties and authority:

- Serves as lead representative of the non-management members of the Board.

- Acts as liaison between non-management directors and management and provides counsel and advice to the Executive Chairman.

- Chairs executive sessions of the non-management directors and meetings of the Board in the absence of the Executive Chairman.

- Chairs meetings of the Shareholders in the absence of the Executive Chairman.

- May call meetings of the non-management directors at such time and place as he or she determines to be appropriate, and chairs all such meetings of the non-management directors.
• Consults with the Executive Chairman and other members of the Board on agendas, meeting schedules and information flow.

• In consultation with the Executive Chairman, coordinates the assessment for the NCGC of Board committee structure, organization and charters and evaluates the need for any changes.

• Consults with the Executive Chairman to make recommendations to the NCGC on membership, including Chairs, of the various Board committees.

• Communicates, as appropriate, with regulators and external auditors.

• Coordinates an annual self-evaluation of the Board, with the results to be reviewed by the NCGC and the entire Board.

• Coordinates, along with the Compensation Committee, the performance review of the Chief Executive Officer.

• Coordinates, along with the NCGC, the review of the succession plan for the Chief Executive Officer.

• Assists the Board and management in assuring compliance with the Company’s governance principles.

• Recommends to the Board the retention of consultants who directly report to the Board.

• Performs such other functions as the Board may direct.

**Majority Voting for Directors**

The Company’s by-laws provide for the election of directors by majority vote, not plurality vote, in uncontested elections. The vote required for election of a director in an uncontested election shall be the affirmative vote of a majority of votes cast in favor of or withheld from the director’s election.

In order to effectuate this by-law provision, the Board has adopted a policy requiring any nominee standing for election or re-election as a director to agree to tender his or her resignation in the event the candidate fails to receive the required vote at the next annual meeting at which the candidate will face re-election.

The resignation policy provides that in the event that an incumbent director fails to receive the required vote for re-election, the NCGC will promptly meet and determine whether to recommend that the Board accept such resignation and will submit such recommendation for prompt consideration by the Board. The NCGC and the Board may consider any factors they deem relevant in deciding whether to accept a director’s resignation. A director whose resignation is
under consideration shall abstain from participating in any discussion, recommendation or decision regarding such resignation. The Board will promptly disclose to the public both its decision-making process and its decision whether to accept the director’s resignation.

**Diversity on the Board of Directors**

In fulfilling its responsibilities as a nominating committee, the NCGC seeks candidates who will bring a diversity of perspective and life experience to their Board service, and it does not restrict its definition of diversity to any particular personal attribute, such as race or gender. The NCGC has taken this approach because it recognizes that there are myriad personal characteristics, including not only race and gender but also attributes such as physical disability, national origin, geographic location, socio-economic background and professional experience, which may contribute to an individual’s diversity of perspective. The NCGC’s definition of diversity is broadly defined and therefore it does not have a policy requiring consideration of any particular personal attribute or attributes in evaluating the qualifications of potential candidates.

**III. Expectations of Directors**

Directors are expected to exercise their informed business judgment in good faith and to act in what they reasonably believe to be the best interests of the Company and its shareholders.

**Attendance at and Participation in Meetings**

Although the Board recognizes that circumstances sometimes require a director to be absent from a Board or committee meeting, directors are expected to make every effort to attend all meetings of the Board and of committees on which they serve, and to attend the annual meeting of shareholders. Directors are also expected to prepare for each meeting by reviewing written materials provided by management or advisors in advance of the meeting and to come to the meeting prepared to discuss matters listed on the meeting agenda.

The Board believes that its deliberations are most effective when all participants in Board and committee meetings are present in person. For this reason, directors are expected to personally attend regular and special Board meetings, as well as meetings of all committees on which they serve; participation by use of telephonic or other communication equipment may be permitted under special circumstances.
**Conflicts of Interest**

The Company recognizes that managing conflicts of interest effectively is essential to good corporate governance. If an actual or potential conflict of interest develops because of a change in the business of the Company or because of a director’s circumstances, the director should report the matter immediately to the Chairman of the NCGC for evaluation and appropriate resolution.

At least annually, management should report to the Board on the Company’s charitable contribution activities. Recognizing the potential for conflicts of interest, members of the Board should refrain from soliciting charitable financial contributions from the Company for causes in which they (or their immediate family) are personally involved.

The Company has established a Code of Conduct that applies to all employees, officers and directors of the Company, its subsidiaries and affiliates. Any waiver of the Code of Conduct for an executive officer or director must be made only by the Board or NCGC and must be appropriately disclosed. If a director has a personal interest in a matter before the Board, the director shall disclose the interest to the full Board, recuse himself or herself from participation in the discussion and shall not vote on the matter.

**Retirement and Resignation**

It is the Board’s strongly held view that while Board refreshment is an important consideration in the Board’s assessment of its composition, the long term best interests of the Company are served by its being able to take advantage of all available talent, and that the Board should not make determinations with regard to its membership solely on the basis of age. The Board also recognizes that there have been dramatic increases in average life expectancy and retirement age in the United States and elsewhere over the last several decades, and that with age often comes wisdom, experience and judgment. Accordingly, the Board does not have a policy requiring director retirement based on age. The Board annually reviews each director’s contributions to the Board and considers each director’s effectiveness and the composition of the Board during this evaluation process. The Board believes that any director’s continued service on the Board should be evaluated in light of all available facts and circumstances.

A director who is also an employee of the Company shall offer his or her resignation from the Board at the time such director resigns or retires from the Company.

A non-management director shall offer his or her resignation if such director has a substantial change in professional responsibility, occupation or business association, not because there is an expectation that director will leave the Board, but rather to provide an opportunity for the Board to review the appropriateness of such director’s continued Board service given the changed circumstances. In such instance, the NCGC will consider the circumstances and make a recommendation to the full Board concerning whether the Board should accept the resignation or ask the director to continue to serve on the Board.

**Stock Ownership Guidelines**
In order to promote the alignment of the interests of the Board with those of the Company’s shareholders, the Company has established stock ownership guidelines for non-employee directors. These guidelines provide that directors who have at least five years of Board service are expected to own Company common stock with a value equal to $400,000.

Confidentiality of Information

Directors shall maintain the confidentiality of information received in connection with his or her service as a director.

Service on Other Boards

Effective service on the Company’s Board requires a substantial commitment of time. For this reason, the Board has determined that Directors should not serve on the boards of more than four publicly-traded companies (including the Company). Directors who are also executive officers of another public company should not serve on more than three public company boards, including the Company’s Board. No director may serve as a member of the Company’s Audit Committee if such director serves on the audit committee of more than two other public companies.

A director must notify the Chairman of the NCGC prior to accepting any invitation to serve on another public company board or audit committee in order for the Company to confirm the absence of any actual or potential conflict of interest. Similarly, a director must notify the Chairman of the NCGC prior to accepting any invitation to serve on any not-for-profit/tax exempt board or with a government or advisory group that is, in each case, expected to require significant commitments of time.

Term Limits

The Board has not established limits on the number of terms that may be served by a director because it believes the Company’s interests are best served when it is represented by individuals who have developed, over time, valuable insight into the operations of the Company and its business.

Director Orientation and Continuing Education

Management conducts an orientation program for new directors to familiarize directors with the Company, including its senior management, business plan, governance structure and expectations for directors. In addition, management periodically provides educational sessions, presented by management or third party experts, concerning new regulatory and corporate governance developments and other matters relevant to the conduct of the Company’s business and implementation of its strategy. Individual directors may also participate in director education programs offered by regulatory agencies and other organizations.

Communications
The Board believes that management speaks for the Company. Inquiries made to directors from institutional investors, the media and other third parties will be directed to the CEO or other designated employees. Contact information for shareholders wishing to communicate with the Board, the Audit Committee concerning accounting controls and auditing matters, the NCGC concerning nominations to the Board or the Compensation Committee regarding executive compensation matters, is available on the Bank’s website at: Shareholder Communication with the Board (www.peoples.com/peoples/Footer/About-People’s-United/Investor-Relations/Governance-Documents/Shareholder-Communication-with-the-Board)

IV. Conduct of Board and Committee Meetings

Executive Sessions

The Board meets regularly in executive session. In addition, the non-management members of the Board meet regularly in executive session. Since the role of Chairman and CEO are combined, the Lead Director presides over all executive sessions of the Board.

Meeting Materials

Written materials are provided to directors in advance of each Board meeting. Whenever possible, written information concerning matters to be discussed at a Board or committee meeting is provided to the directors sufficiently in advance of the meeting to permit careful review of the materials.

Attendance of Non-Directors at Board Meetings

The Company’s executive management generally attends all Board meetings, except when the Board meets in executive session or it is determined that the topic being considered would be more appropriately reviewed with a more limited number of management representatives in attendance. In addition, third party advisors and other members of management may attend a portion of a Board meeting to participate in the discussion concerning a specific topic.

Access to Advisors

The Board and its committees have the right to retain independent outside advisors at the expense of the Company.

Access to Management

Directors have free access to officers and employees of the Company and its subsidiaries and affiliates; provided, however, that directors are expected to use their judgment to ensure that such contact is not disruptive to the Company’s business operations.