

**CHARTER
COMPENSATION COMMITTEE
PEOPLE'S UNITED FINANCIAL, INC.**

Purpose and Authority:

The Compensation Committee (the “Committee”) of the Board of Directors of People’s United Financial, Inc. (the “Company” and together with its subsidiary People’s United Bank and its subsidiaries, “People’s United”) has been established to: (i) oversee compensation programs offered by People’s United; (ii) oversee plans and programs for the CEO and Executive Officers, (iii) the management and implementation of People’s United’s principal employee benefit plans and human resource policies; and (iv) undertake other duties related to People’s United’s human resource function.

The Committee shall coordinate its oversight of incentive compensation risk with the Company’s Enterprise Risk Committee, which oversees the enterprise-wide risk management process for People’s United.

The Committee’s role with respect to oversight of compensation matters is to oversee and monitor management’s implementation of People’s United’s compensation strategy and policies; management is responsible for establishing and maintaining effective compensation practices that are consistent with the Company’s compensation strategy, policies and risk appetite.

Membership, Evaluation and Conduct of Meetings:

The Committee shall consist of at least three Company directors, all of whom shall meet the independence standards for Compensation Committee members imposed by the listing requirements of The NASDAQ Stock Market LLC. Members, including the Committee Chairperson, are elected annually by the Board. The Chairperson of the Committee will preside at meetings and report to the Board. The Committee will meet at intervals established by the Board, but no less frequently than four times a year. Minutes of all meetings of the Committee shall be kept and recorded, provided to the entire Board at a subsequent Board meeting. This Charter will be reviewed and approved annually. The Committee will conduct an annual comparison of the performance of the Committee with the requirements of this Charter.

Retention and Compensation of Advisers:

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser (an “Adviser”), and the Committee shall be directly responsible for the appointment, compensation and oversight of the work performed by any such Adviser. The Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Adviser retained by the Committee.

Prior to selecting, retaining or obtaining advice from any Adviser, other than in-house legal counsel or an Adviser that acts in a role limited to the activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K¹, the Committee shall consider the following:

- (i) the extent to which the entity that employs the Adviser (the “Adviser’s Employer”) provides other services to the Company;
- (ii) the amount of fees received from the Company by Adviser’s Employer, as a percentage of the total revenue of the Adviser’s Employer;
- (iii) the policies and procedures of the Adviser’s Employer that are designed to prevent conflicts of interest;
- (iv) any business or personal relationship of the Adviser with a member of the Committee;
- (v) any stock of the Company owned by the Adviser; and
- (vi) any business or personal relationship of the Adviser or the Adviser’s Employer with an Executive Officer of the Company.

The retention or use of an Adviser shall not affect the Committee’s obligation to exercise its independent judgment in fulfillment of its responsibilities or require the Committee to implement or act consistently with the advice or recommendations of any such Adviser.

Responsibilities:

A. Compensation Matters

1. Oversight

- Review and discuss the Company’s Compensation Discussion and Analysis (the “CD&A”) prepared by management and recommend to the Board of Directors whether the CD&A should be included in the Company’s annual proxy statement and incorporated by reference into the Company’s annual report on Form 10-K.
- Approve the compensation committee report required by Regulation S-K for inclusion in the Company’s annual proxy statement.

¹ The excluded activities are: a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Executive Officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

- Oversee compliance with SEC rules and regulations regarding shareholder approval of executive compensation matters, including advisory votes on executive compensation and shareholder approval of equity plans.
- The Committee shall oversee the Company's claw back of compensation (if and when necessary) as applied to executive and other Company incentive programs.

2. Risk Assessment

- Evaluate People's United's compensation policies and practices, including its various incentive compensation plans, taking into consideration both the risks associated with the activities being performed by participants in such incentive compensation plans and the structure of such compensation plans.
- Identify compensation arrangements and incentive compensation plans that either apply to executive and senior officers or involve other employees who, either individually or as a group, may expose People's United to material amounts of risk.
- Ensure that the structure of such compensation arrangements and incentive compensation plans does not encourage excessive risk-taking and that the risks associated with such compensation arrangements and incentive compensation plans are appropriately mitigated by effective controls and risk management processes.
- At least annually, review an assessment prepared by management of the effectiveness of People's United's overall compensation system, and especially its effectiveness in providing incentive compensation that is consistent with safety and soundness.

3. Executive Evaluation and Compensation

- Conduct an annual performance review of the CEO and, in consultation with the CEO, review the performance of the President and each member of the Management Committee ("Executive Officer").
- Recommend for approval by the independent directors the compensation of the CEO, President and each Executive Officer. The CEO may not be present during voting or deliberations concerning his or her compensation.
- Review at least annually the CEO's decisions concerning the performance and compensation of senior executive officers.
- Recommend to the full Board the adoption or amendment where appropriate, of the Company's Short-Term Incentive Plan, Long-Term Incentive Plan, Recognition and Retention Plan and Stock Option Plan (collectively the "Incentive Plans") and establish the performance objectives that may be required in connection with these plans.

- Oversee the implementation of the Company's Incentive Plans in accordance with the terms of such plans.
- Approve (or in the case of the Chief Executive Officer, the President and each Executive Officer, recommend to the independent members of the Board) the granting of awards under and funding for the Company's Incentive Plans; provided, however that the Committee may in its discretion authorize the Chief Executive Officer to approve the granting of awards under such plans where not inconsistent with the Bylaws of People's United.

4. Director Compensation

- The Committee shall, at least annually review the compensation (including equity based compensation) for the Company's Directors with input from its independent compensation consultant.
- Any proposed changes to Director compensation shall be approved by the Committee and then recommended by the Committee to the Board for approval.

B. Oversight of Employee Benefit Plans and Human Resource Policies

- Oversee the implementation of People's United's compensation and benefit programs, and policies concerning compliance with state and federal laws relative to non-discrimination, equal employment opportunity and affirmative action policies and practices, and monitor selectively their implementation.
- Oversee the operation of People's United's benefit plans², including its defined benefit and defined contribution retirement plans and its medical plans, except with regard to matters relating to benefit plan investments, investment policies and funding.
 - Consider and approve, as appropriate, amendments to and any other actions affecting People's United defined benefit and defined contribution retirement plans and its medical plans, including plan mergers and changes in plan trustees as and when deemed necessary or appropriate.
 - Carry out such other responsibilities and exercise such other powers as may be assigned or granted to the Committee pursuant to the provisions of any benefit plan or any related documents.
- Oversee the operation of the Company's Employee Stock Ownership Plan in accordance with the terms of such plan.

² For the avoidance of doubt, the term "People's United benefit plans" includes any benefit plans for which People's United has assumed responsibility as a result of or in connection with any corporate acquisition or merger.

C. Other Duties

- Oversee compliance with guidelines for ownership of Company common stock applicable to directors, Executive Officers and other officers. Report at least annually to the full Board concerning the status of compliance with such guidelines.