

CHARTER
COMPENSATION, NOMINATING and GOVERNANCE COMMITTEE
PEOPLE'S UNITED FINANCIAL, INC.

Purpose and Authority:

The Compensation, Nominating and Governance 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) assist the directors in fulfilling their responsibilities with respect to establishment and oversight of a corporate governance framework for People's United; (ii) identify individuals qualified to become members of the Company's Board of Directors (the "Board") and to recommend to the Board nominees for election to the Board at the annual meeting of shareholders or as otherwise permitted under the Company's Certificate of Incorporation; (iii) oversee compensation programs offered by People's United; (iv) oversee the management and implementation of People's United's principal employee benefit plans and human resource policies; and (v) 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, and shall be 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. Corporate Governance

The Board acts as a committee of the whole with respect to decisions related to committee structure and membership, Board composition, Board compensation and other corporate governance matters. To assist the Board in fulfilling its responsibilities, the Committee has been assigned responsibility periodically to evaluate the Board’s corporate governance practices and recommend changes as appropriate, and to lead the Board in its annual self-assessment.

The Committee shall also annually make recommendations to the full Board regarding the Company’s Corporate Governance Guidelines, the Board’s size and composition, committee structure, committee membership and meeting schedule; and shall review and make recommendations to the full Board concerning Board compensation.

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.

B. Nominations to the Board of Directors

1. Certificate of Incorporation - The Company's Certificate of Incorporation provides for the election of directors by the Company's shareholders (or by the Board under certain circumstances). The Certificate of Incorporation also provides that nominations for election to the Company's Board may be made only by the Board or by a record owner of Company Common Stock.
2. Role of the Committee – The Committee shall serve as nominating committee with respect to nominations to the Company's Board. In its capacity as nominating committee, the Committee shall receive and evaluate proposed nominations to the Board, including nominations properly proposed by Company shareholders, and shall select nominees to be presented for election by the shareholders or by the Board pursuant to Article V, § 6 of the Certificate of Incorporation.
3. Submission of Shareholder Nominations – Except as otherwise provided in the Bylaws of the Company, as may be amended from time to time, nominations by shareholders of candidates for election as directors shall be made in accordance with the provisions of Section 5.06 of the Company's Certificate of Incorporation.
4. Evaluation of Nominations – In evaluating the qualifications of proposed candidates for nomination to the Board, the Committee will consider the following factors:
 - **Minimum qualifications** – The Committee will not nominate any person to the Board if, in the opinion of the Committee:
 - 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;
 - the person would not, or could not, effectively represent the best interests of the Company and its shareholders;
 - Board service would be prohibited under any applicable law or regulation, including, but not limited to, the Office of the Comptroller of the Currency's rules prohibiting interlocking directorships;
 - the nominee has not complied with the Board's policy requiring candidates to tender or agree to tender irrevocable resignations that will become effective if the candidate fails to receive the required shareholder vote for election or re-election;
 - the nomination did not comply with the requirements of Article V, § 6 of the Company's Certificate of Incorporation and Article II, § 12 of the Company's bylaws.

- **Other Factors to be Considered by the Committee** - In addition to the minimum qualifications outlined above, in evaluating proposed nominees, the Committee will consider the following factors:
 - whether, in the opinion of the Committee, the nominee exhibits personal qualities, including personal and professional integrity, judgment and collegiality, that will ensure that the nominee 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 nominee, 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 nominee would enhance the diversity of perspective and life experience among members of the Board;
 - Whether, in the opinion of the Committee, the nominee has demonstrated a commitment to the betterment of the communities served by the Company.
 - Whether the nominee would be considered “independent” for purpose of service on the Board or any of its committees. Lack of independence shall not, by itself, render a candidate unqualified for Board service; however, it is the Board’s intention that a substantial majority of Board members shall at all times qualify as “independent” under NASDAQ listing standards and any other applicable laws or regulations.
5. Review of Director Resignations -The Board’s Policy on Director Resignations articulates the Board’s expectation that a nominee for service as Director who fails to receive a majority of shareholder votes for election or re-election shall tender his or her resignation as a member of the Company’s Board and the boards of directors of all of the Company’s affiliates. In the event that an incumbent director fails to receive the required vote for re-election, the Committee will act on an expedited basis to determine whether to recommend acceptance of the directors’ resignation and will submit such recommendation for prompt consideration by the full Board.

C. Compensation Matters

1. Oversight

- Review and discuss the Company’s Compensation Discussion and Analysis prepared by management and recommend to the Board of Directors whether the Compensation Discussion and Analysis 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.

- 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.

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 President and CEO and, in consultation with the President and CEO, review the performance of each member of the Management Committee ("Executive Officer").
- Recommend for approval by the independent directors the compensation of the President and CEO and each Executive Officer. The President and CEO may not be present during voting or deliberations concerning his or her compensation.
- Review at least annually the President's decisions concerning the performance and compensation of senior 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 and establish the performance objectives that may be required in connection with these plans.
- Oversee the implementation of the Company's short- and long-term incentive compensation plans (including without limitation the Long-Term Incentive Plan, the

Short-Term Incentive Plan, the Recognition and Retention Plan, and the Stock Option Plan (collectively, the “Incentive Plans”) in accordance with the terms of such plans.

- Approve (or in the case of the President and Chief Executive Officer, 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 President and Chief Executive Officer to approve the granting of awards under such plans where not inconsistent with the Bylaws of People’s United.

D. 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 (responsibility for which has been delegated to the Treasury and Finance Committee).
 - 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.
- Review matters of executive succession, senior management depth and organization structure.

E. Other Duties

- Administer the directors’ compensation plans according to the terms of such plans.
- Oversee compliance with guidelines for ownership of Company stock applicable to directors, Executive Officers and other officers and report at least annually to the full Board concerning the status of compliance with such guidelines.

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.

- Determine that appropriate corporate codes of conduct are established and monitored by management. Such codes of conduct will provide for policies and procedures to preclude conflicts of interest, in fact or in appearance, by directors, officers and employees, including, but not limited to, senior financial officers, in conducting the business of the Company.
- Establish a process to ensure disclosure of changes in, or waivers of, the Company's codes of conduct;
- Review (or recommend to the full board that it review) significant related-party transactions.