

WEBSTER FINANCIAL CORP
Form DEF 14A
March 22, 2019

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

Filed by a Party other than the Registrant

Check the appropriate box:

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):

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):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

March 22, 2019

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 25, 2019 at 4:00 p.m., Eastern Time, at the New Britain Museum of American Art, 56 Lexington Street, New Britain, CT 06052.

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, 2019; (iv) to approve a proposal to amend and restate the Webster Financial Corporation Employee Stock Purchase Plan; and (v) 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 2018 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

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 25, 2019

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 25, 2019 at 4:00 p.m., Eastern Time, at the New Britain Museum of American Art, 56 Lexington Street, New Britain, CT 06052, 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, 2019 (Proposal 3);
4. *Amendment and Restatement of Employee Stock Purchase Plan* - To approve a proposal to amend and restate the Webster Financial Corporation Employee Stock Purchase Plan (Proposal 4); and
5. *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 28, 2019 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

Waterbury, Connecticut

March 22, 2019

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 25, 2019: This Proxy Statement, along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and our 2018 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 25, 2019

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 25, 2019 at 4:00 p.m., Eastern Time, at the New Britain Museum of American Art, 56 Lexington Street, New Britain, CT 06052 (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 22, 2019.

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, 2019 (Proposal 3);
4. To approve a proposal to amend and restate the Webster Financial Corporation Employee Stock Purchase Plan (Proposal 4); and
5. 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 Employee Stock Purchase Plan.**

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 John H. Beers, 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 teletype 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 Sodali 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 28, 2019 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 5,358 holders of record of the 92,265,232 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 24, 2019. 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 24, 2019. 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.

Quorum and Vote Requirements - 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 ratify the appointment of Webster's independent registered public accounting firm, and to approve the amendment and restatement of the Webster Financial Corporation Employee Stock Purchase Plan. Shareholders' votes will be tabulated by the persons appointed by the Board of Directors to act as inspectors of election for the Annual Meeting.

Broker Non-Votes and Abstentions - 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.

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 2018 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 John H. Beers, 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, 2018, 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").

Mr. Becker will be retiring from the Board effective with the 2019 Annual Meeting. He has served on the Board since 1986. The Board of Directors greatly appreciates Mr. Becker's deep commitment and many contributions to the Board and to Webster's growth and progress.

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, technology 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 12/31/2018	Director Since	Expiration of Term	Positions Held with Webster and Webster Bank	Committee Membership
William L. Atwell	68	2014	2019	Director	Compensation; Nominating & Corporate Governance
John R. Ciulla	53	2018	2019	Director	Executive
John J. Crawford	74	1996	2019	Lead Director	Audit; Executive; Nominating & Corporate Governance (Chair)
Elizabeth E. Flynn	58	2014	2019	Director	Compensation; Risk
E. Carol Hayles	58	2018	2019	Director	Audit; Risk
Laurence C. Morse	67	2004	2019	Director	Compensation (Chair); Executive; Nominating & Corporate Governance
Karen R. Osar	69	2006	2019	Director	Audit (Chair); Executive; Risk
Mark Pettie	62	2009	2019	Director	Audit; Executive; Risk (Chair)
James C. Smith	69	1986	2019	Chairman	Executive (Chair)
Lauren C. States	62	2016	2019	Director	Audit; Risk

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. He is Chairman of the Board of Blucora, Inc. (NASDAQ:BCOR), a provider of technology-enabled financial solutions headquartered in Irving, Texas. Mr. Atwell serves as an independent trustee of AQR Mutual Funds (AQR Capital Management LLC) and is a member of its audit and nominating and corporate governance committees. Mr. Atwell served as a trustee from 2006-2018 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 Nominating and Corporate Governance 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.

John R. Ciulla is President and Chief Executive Officer and a director of Webster and Webster Bank. He was appointed as Chief Executive Officer and a director of Webster in January 2018. 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 to President in October 2015. Prior to joining Webster, he was managing director of The Bank of New York, where he

worked from 1997 to 2004. Mr. Ciulla serves on the Federal Reserve Systems Federal Advisory Council as a representative of the Federal Reserve Bank of Boston. He also serves on the board of the Connecticut Business and Industry Association (CBIA) and was a former chairman and is also a

member of the board of the Business Council of Fairfield County. Mr. Ciulla is a member of the Executive Committee.

Mr. Ciulla's position and experience as President 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.

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 and Executive Committees.

Mr. Crawford's extensive executive and corporate governance experience as a former Chief Executive Officer of three companies, including a financial institution, and his over 20 years of service on Webster's Board, including sixteen 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. She is a director of StanCorp Financial Group, Inc. (NYSE: SFG), a publicly held insurance and financial services company headquartered in Portland, Oregon, and its subsidiary, Standard Insurance Company of New York. Ms. Flynn is a member of the Compensation Committee and the Risk 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.

E. Carol Hayles was Executive Vice President and Chief Financial Officer of CIT Group Inc. (NYSE:CIT), a financial services company headquartered in Livingston, New Jersey from November 2015 to May 2017, during which time she was responsible for overseeing all financial operations. She served as Controller and Principal Accounting Officer of CIT Group Inc. from July 2010 to November 2015 where she was responsible for managing the financial accounting and reporting functions, including SEC and regulatory reporting. Prior to CIT, Ms. Hayles spent 24 years in various finance roles at Citigroup, Inc., most recently as Deputy Controller, and began her career at PricewaterhouseCoopers LLP. Ms. Hayles currently serves on the board of Blucora, Inc. (NASDAQ:BCOR), a provider of technology-enabled financial solutions headquartered in Irving, Texas. She is a member of the Audit Committee and the Risk Committee.

Ms. Hayles' experience as former Executive Vice President and Chief Financial Officer of a public company in the financial services industry and her strong background in finance provides the Board with strong executive and financial experience.

Laurence C. Morse is the Managing Partner of Fairview Capital Partners, Inc., a 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 Howard University, and is a former 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 chair of the Compensation Committee and a member of the Nominating and Corporate Governance Committee and the Executive 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 member 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 former 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.

Lauren C. States is an Executive-in-Residence at Northeastern University's D'Amore-McKim School of Business. Ms. States retired in 2014 from the IBM Corporation (NYSE:IBM), a publicly held company headquartered in Armonk, New York, after a career of more than thirty-six years. Prior to her retirement, she served as Vice President, Strategy and Transformation for IBM's Software Group and was a member of the Growth and Transformation senior leadership team. From 2008 to 2013, she was a leader in the company's transformation to cloud computing and served

as Chief Technology Officer in the corporate strategy function. Over her career, she has served in a broad variety of roles including technology, strategy, transformation, and

sales and talent development. She is a director of Clean Harbors, Inc. (NYSE:CLH), a publicly held company headquartered in Norwell, Massachusetts, and is a member of the board of Code Nation. She also serves as a Trustee for International House, New York. Ms. States is a member of the Audit Committee and the Risk Committee.

Ms. States' experience as former Chief Technology Officer of a public company, and her broad background in technology, strategy and transformation, provides the Board with strong executive and technology experience. She has a CERT Certificate in Cybersecurity Oversight, issued by the NACD and Carnegie Mellon University.

James C. Smith is Chairman of Webster and Webster Bank and an advisor to the Company. Mr. Smith joined Webster Bank in 1975 and was appointed CEO of the bank and the holding company in 1987 and Chairman in 1995, and served in those positions until his retirement in 2017. 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 until 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 several years 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 co-chairs the Connecticut Economic Resource Center, and previously served as co-chair of the Connecticut Governor's Commission on Fiscal Stability and Economic Growth. He is also actively engaged in community service and supports numerous civic organizations including serving as General Chairman of the Hartford Bishops' Foundation, serving on the Trinity Health of New England Strategic Planning Committee, and previously served as a member of Saint Mary's Health System board in Waterbury, Connecticut. Mr. Smith is Chair of the Executive Committee.

Mr. Smith's extensive experience as Chief Executive Officer of Webster through 2017 provides invaluable knowledge of Webster's operations, challenges and opportunities.

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, the Chief Executive Officer 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, the Chief Executive Officer 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	2018
Size of Board	11
Number of Independent Directors	9
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

Webster's Commitment to Environmental, Social and Governance Issues

It's in our DNA

Sustainability and commitment to community have been intrinsic to Webster since its founding. What is now known as Webster Bank was founded in 1935, during the Great Depression, by Waterbury, Connecticut native Harold Webster Smith. Mr. Smith started the bank with \$25,000 borrowed from friends and family to help people buy and build homes.

Through the years that followed, Webster grew, reaching \$1 million in assets by 1938. We were the first bank to offer GI and FHA loans in Connecticut and today we are a leading SBA lender to small businesses, women, and minority businesses. The Corporation's dedication to the communities it serves remained strong after it went public in 1986. We

continued to grow over the ensuing decades, broadening our geographic footprint to include Massachusetts, Rhode Island, and New York, remaining headquartered in Waterbury. Today, we have more than \$27 billion in assets.

The Webster Way Values-Guided, Community-Minded

Webster remains a values-guided, community-minded bank focused on helping its customers achieve their unique goals. Putting people first, Webster bankers take the time to understand what matters most to our customers, responding with personalized solutions, and acting with responsibility, respect, ethical behavior, citizenship, and teamwork.

Every Webster banker is guided by *The Webster Way*. It is our unshakeable core, the common bond we share as a values-guided, community-minded organization, and the principles we believe in and stand for every day. They bring us together, set us apart, and guide us in every action we take to live up to our customers:

We take personal responsibility for meeting our customers' needs.

We respect the dignity of every individual.

We earn trust through ethical behavior.

We give of ourselves in the communities we serve.

We work together to achieve outstanding results.

The Webster Way also captures the essence of Webster's commitment to its constituents—its customers, the communities where it does business, its employees, and its shareholders. As a matter of policy and longstanding practice, Webster engages in environmentally responsible practices at its facilities and enters into commercial loans with renewable energy and energy-efficient components; works ceaselessly to improve life in the communities it serves; provides an inclusive environment where bankers can continually grow professionally; and follows transparent governance practices to safeguard Webster for all of its constituencies.

Commitment to Excellence

Webster has been recognized for its commitment to excellence. In 2018, we were named one of the Top 25 most reputable banks in the country, according to the 2018 Survey of Bank Reputations conducted by the independent organization Reputation Institute. The annual survey measures U.S. consumers' perceptions of major bank brands. In addition, Webster won multiple categories in the 2018 Bank Director Ranking Banking survey, including Best Board, Northeast, U.S. In 2018, Webster received an Outstanding rating for its Community Reinvestment Act (CRA) performance, and was the Top Small Business Administration (SBA) lender in New England (by volume).

Webster's Commitment to ESG

Webster's 2018 Environmental, Social and Governance Report summarizes many of the ways Webster strives to be a good corporate citizen by conducting business in an environmentally responsible manner, being a caring neighbor and employer, and being as transparent as possible in its governance. Our ESG Report may be found on our website at www.wbst.com.

Board Leadership

Beginning in 2018, Webster has separated the roles of Chairman of the Board and principal executive officer. Mr. Smith was appointed non-executive Chairman following his retirement on December 31, 2017, and Mr. Ciulla was appointed Chief Executive Officer. 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 2018, Mr. Crawford served as the lead independent director.

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 on page 41 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, Morse, Pettie, and Mses. Flynn, Hayles, Osar and States 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.

Mr. Ciulla is not considered independent because he is an executive officer of Webster and Webster Bank. Mr. Smith is not considered independent because he has been an executive officer of Webster within the past three years.

Executive Sessions of Independent Directors

In keeping with Webster's Corporate Governance Policy, in 2018 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 2018, Webster held 9 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 2018, the Audit Committee held 6 meetings. The members of the Audit Committee currently are Ms. Osar (Chair) and Messrs. Crawford, Pettie, and Mses. Hayles and States. 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 Mses. Osar and Hayles and Messrs. Crawford and Pettie 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 2018, the Compensation Committee held 4 meetings. Compensation Committee meetings are attended by Webster's President and Chief Executive Officer (CEO), other than while his 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 2018, see Compensation Discussion and Analysis. The members of the Compensation Committee currently are Messrs. Morse (Chair), Atwell, Becker and Ms. Flynn. 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 Operating 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 Operating 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 Operating 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 2018. The members of the Executive Committee are Messrs. Smith (Chair), Ciulla, Crawford, Morse, Pettie, 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 2018, the Nominating and Corporate Governance Committee held 3 meetings. The members of the Nominating and Corporate Governance Committee are Messrs. Crawford (Chair), Atwell, Becker and Morse. 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 2018, the Risk Committee held 5 meetings. The members of the Risk Committee are Mr. Pettie (Chair), and Meses. Flynn, Hayles, Osar and States.

Director Qualifications and Nominations

Each year, the Board undergoes a self-assessment process to evaluate performance of the Board and Committees. As part of the self-assessment process, the Board considers which attributes and skill sets are important to ensure optimal performance of the Board. The information learned through this process is utilized when considering outside director candidates.

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 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. In addition to depth and breadth of business and civic

experience in leadership positions, a potential director's ties to Webster's markets are considered in order to ensure diversity and broad geographic and demographic representation reflective of the markets served. These attributes are embodied in Webster's Qualification Guidelines for Board Members. The Nominating and Corporate Governance Committee reviews and assesses the effectiveness of the Guidelines periodically.

The Board is committed to sustaining a board that achieves balance between depth of experience in the oversight of Webster and fresh approaches to oversight and strategic deliberations, particularly as Webster's business and best practices of corporate governance evolve. Consistent with this commitment to constructive refreshment, Webster has added four new outside directors since 2014 and, with Mr. Becker's retirement effective with the 2019 Annual Meeting, will have had four directors retire.

When considering candidates for the Board, the Nominating and Corporate Governance Committee takes into account a number of factors in addition to the foregoing competencies, 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.

Webster's Bylaws permit shareholders eligible to vote at the Annual Meeting to make nominations for directors, provided 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 14, 2019 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 14, 2019. 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 2018. Employee directors of Webster receive no additional compensation for serving as directors or committee members of Webster or its subsidiaries. Except as described below, no other compensation was paid to any such director.