

M&T Bank Corporation

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René F. Jones
Chairman and Chief Executive Officer

August 5, 2021

By Email

The Honorable William Tong
Attorney General
State of Connecticut
165 Capitol Avenue
Hartford, Connecticut 06101

Dear Attorney General Tong:

Thank you for your recent letter regarding employment actions communicated at People's United in July, which are part of continued efforts to finalize the merger with M&T Bank. I appreciate the opportunity to address your concerns, to provide additional details on the decisions, and to outline significant commitments we are making to the State of Connecticut and the City of Bridgeport.

Our goal has always been to be transparent and share what we know and where we are in the process. Through this merger announcement with People's United and integration work, we have held approximately 174 meetings with state and local officials. This process of engagement is what we do and what we have always done. Based on our experience in other communities, we understand that these steps do not constitute a single round of discussions, but represent the start of meaningful, ongoing dialogue with various stakeholders on how best to serve our communities over time. That is our goal in Connecticut and across the entire People's United footprint.

The following pages provide answers and additional context to the questions you posed in your letter on August 2. Should you have further questions about our future plans, please let me know. I look forward to our continued discussion and work together.

Job Retention

In your letter, you asked about estimates regarding job retention numbers in Connecticut and our process in making these decisions. I want to explain not only the statistics, but also the rationale behind these decisions and how we are helping employees throughout this transition period.

The combination of M&T and People's United has always been about combining complementary platforms to create growth and therefore economic opportunity in the communities where we operate. We are committed to maintaining an important presence in Bridgeport, which will become our regional headquarters, and to Connecticut more broadly. As we indicated when the planned merger was announced, we intend to deepen our relationships and presence across the People's United footprint.

Since February, both companies have been working on an integration plan for the future organization. Our top priority is to do everything we can to support our employees and communities throughout this transition while being as transparent as possible with our stakeholders.

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Indeed, we deliberately chose to notify People's United employees of their employment status prior to receiving regulatory approval of the merger because we firmly believe that each and every one of our team members – both affected and unaffected – has the right to understand what the merger means for them personally and to have as much time as possible to plan accordingly.

I want to take a moment to explain how we conducted the process that we are undertaking. Since February, we have worked alongside People's United to determine synergies by way of a thoughtful and dynamic process that takes place over time. This process is based on extensive conversations and continued recruiting and is centered around the needs of both organizations.

The first step was a detailed identification and review of our joint employee bases. We then held hundreds of discussions with People's United managers and employees to understand the specific capabilities of existing workers and determine if there was a significant overlap of responsibilities. These discussions helped us identify and make choices around duplicate positions, where it was determined that there were no synergies. The reductions that will take place affect employees mainly in administrative and senior management positions.

On July 22, 2021, M&T issued Worker Adjustment and Retraining Notifications (WARN) in Connecticut and Vermont. Based on our estimates as of the date of the WARN notification, we are retaining 1,959 People's United employees in Connecticut, or 72 percent. We have provided notice to a total of 747 employees, or 28 percent of Connecticut-based People's United employees, that their existing positions will be severed. However, as alternate opportunities at M&T are identified, we expect the number of impacted employees to decrease.

Overall, we are retaining all 1,068 retail branch customer-facing employees, which include 616 traditional branch employees and 452 employees in Stop and Shop locations, who will be relocated to traditional branches within a reasonable distance of their former location.

The next stage in our process was a thorough review of the open positions that we are actively recruiting for across the footprint. We determined that there are 1,500 open roles, and approximately 1,000 of those positions are not geographically dependent. We then committed that the impacted employees would be given priority consideration for those 1,500 open roles, which include both hybrid and remote work opportunities. The application process will identify and flag People's United employees for priority consideration.

As we continue to refine and optimize our staffing plans in Bridgeport and Connecticut, beyond what is reflected in our WARN notice, we are committing to having at least **1,000 employees based in our regional headquarters in Bridgeport within the first 12 months following systems conversion**, which is expected to take place in February 2022.

In terms of the timing of these changes for any impacted employees, the vast majority of the reductions will occur in 2022, and we are providing benefits to affected People's United employees to support them through the transition. All affected employees will receive severance benefits ranging from a minimum of 12 weeks of pay up to a maximum of 104 weeks of pay, based on severance plan and tenure. In Connecticut, affected employees will receive an average of 38.5 weeks of pay. Eligible employees will receive their current year pro-rated annual bonus, as well as medical benefit coverage for a minimum of 24 weeks--and up to a maximum of 52 weeks--depending on severance program eligibility factors. Affected employees will also receive career transition assistance with Right Management, a nationally

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recognized career transition services provider. Outplacement services vary depending on job level with the average program range from two to twelve months.

To further assist displaced employees, M&T is establishing a dedicated team within M&T's "talent acquisition" area to create awareness of available positions and help affected People's United employees identify new positions where their skills, experience, and career aspirations may apply. This team will create awareness by providing M&T career resources, workshops, and social media updates. Additionally, an outreach plan including both onsite and virtual job fairs (open to both displaced PUB employees and the public) will be executed starting immediately following the closing of the transaction and continuing through systems conversion.

For People's United employees who were offered positions at the combined company, all offers included the same base pay and target bonus opportunity and each employee will be eligible for raises and promotions as part of the normal compensation cycle. Additionally, no People's United employees who received job offers at M&T will be required to relocate from their current job location.

Mitigation of Adverse Economic Impacts

Your letter also noted concerns regarding adverse economic impacts, particularly in the City of Bridgeport in both the near- and long-term. Please know that M&T is working diligently to ensure we mitigate any adverse economic impacts throughout this transition period. M&T sees significant economic and growth opportunity in the State of Connecticut, and we are committed to increasing our investment in the region and working closely with community leaders and businesses to help drive greater economic opportunity for city residents.

Bridgeport, Connecticut will be M&T's New England regional headquarters, with employees continuing to work out of the Bridgeport Center Building, which we will continue to own and operate. Because our employees and communities need vibrant environment to thrive, M&T will devote funds to refurbish and revitalize the building and the surrounding area.

We have always believed that the way to encourage economic development and prosperity is by building a community—an "ecosystem"—that attracts, retains, develops, and engages talent. We intend to develop the kind of ecosystem that is a magnet for talent to Bridgeport, as we are doing in our other communities like Buffalo. We believe that the real purpose of the Bridgeport Headquarters is to serve as a community asset that creates a sense of belonging and purpose for Bridgeport residents and surrounding communities.

While the building will predominately house M&T employees, we plan to sublet any unused space to help bring other jobs of all ranges to the downtown area. We will seek out and welcome non-profit community organizations, academic institutions, and other like-minded partners to create a place where people from the public and private sectors can share problems, collaborate on solutions, develop ideas, and improve the quality of lives in the community.

Recall that through the WARN act process we got to a point where 691 people would be based in the Bridgeport location. **We will be announcing M&T's commitment to having at least 1,000 employees based in our regional headquarters in Bridgeport within the first 12 months following conversion, which we anticipate will take place in February 2022.** With these job commitments, M&T will be the largest non-hospital employer in the city of Bridgeport, employing more than two and half times the

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next largest employer. We firmly believe that this increased number of positions will further help to revitalize the city and illustrates our commitment to growing the downtown area.

Corporate Responsibility

Your letter also questioned how M&T plans to meet its obligations to Connecticut under the Community Reinvestment Act as well as how the merged bank will support Connecticut's small businesses and low- and moderate-income families. In this context, it is important to recognize that M&T Bank has been awarded the highest possible Community Reinvestment Act rating on every examination since 1982 from the Federal Reserve Bank of New York.

M&T has also long been recognized for our community commitments, longstanding support of civic organizations, and inclusive internal culture which values, respects, and leverages different talents and perspectives. Alongside People's United, we will continue to work together to ensure our combined company builds on, and exceeds, our existing commitments both internally and externally as well as continues to meet obligations under the Community Reinvestment Act.

An example of our community commitments includes an initiative to empower our employees to be active in their communities. Every full-time M&T employee is provided 40 hours of paid time off each year to volunteer for a cause close to their hearts. We have also recently introduced a volunteering platform to improve visibility of volunteer opportunities and track volunteer time to properly commend our employees and encourage others to do the same. For more detail on this initiative, as well as others, I encourage you to read our 2020 ESG report, which can be located online here: <https://www3.mtb.com/content/dam/mtb-web/pdfs/2020-esg-report.pdf>.

Throughout our history and across our communities, we have a longstanding tradition of demonstrating a commitment to meeting the needs of low- and moderate-income (LMI) families. Indeed, we have already begun to make an impact in Connecticut. Later today, People's United Bank will announce that with our support, it has reached an agreement with Stop & Shop to retain 27 in-store branch and ATM locations in Connecticut that had been slated to close as part of the previously announced decision not to renew existing in-store branch contracts in Connecticut.

The locations were strategically selected based on a variety of factors including proximity to nearby traditional branches, customer feedback, and input from community leaders. In addition, we also focused on preserving locations in low- and moderate-income communities, where nearly half of the retained branches are located. In addition, we will also announce separately that we plan to re-open two People's United branches that were closed in 2019 in LMI neighborhoods in East Hartford and Newington.

A key element of M&T's commitment to low-moderate income families includes supporting access to homeownership and affordable consumer products.

To that end, the bank has developed a comprehensive approach to helping low- and moderate- income families realize the dream of homeownership. In Connecticut, this will include offering a wide array of affordable mortgage options, offering down payment and closing cost assistance, developing a dedicated affordable mortgage marketing campaign, and developing partnerships with local non-profits to support homebuyer education and outreach efforts designed to support LMI income families. Examples of this activity include offering M&T's Home Starter portfolio mortgage product. This product offers a no-mortgage insurance feature to the borrower and can be paired with an M&T installment loan

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priced at the mortgage note rate to assist with closing costs. The Home Starter also offers a bi-weekly payment option to help homeowners build equity faster and can accommodate non-traditional credit, such as rental, utility, and phone payments. In addition, M&T will also add Connecticut Housing Finance Authority programs to our affordable mortgage portfolio as a way of offering low-moderate income families several different options to access mortgage financing.

In conjunction with the affordable mortgage products, M&T will also offer the proprietary M&T Grant Program, which currently provides home buyer grant assistance to LMI families to help cover closing cost expenses. We also plan to accommodate other forms of secondary financing for down payment and closing cost assistance, such as those offered by non-profit housing organizations. M&T's affordable mortgage marketing and outreach strategy will employ print and in-branch advertising, digital, and social media initiatives; in person and virtual mortgage seminars; and, most importantly, expanding relationships with community-based organizations throughout the market.

M&T will also bring its Bank On certified deposit product, MyWay Checking, into the Connecticut market and will work with non-profits to promote this offering and support related financial education programming. This certification is significant because Bank On is led by the Cities for Financial Empowerment Fund, a national non-profit organization which works to ensure consumers can access a safe, affordable transactional banking account. M&T's MyWay Checking is a checkless checking account with no overdraft fees. The product has the same features as a traditional account but does not allow customers to overdraw the account. This account is a perfect vehicle for helping bring people into the financial mainstream because customers are eligible to open an account even if they have a negative report on Chex Systems. MyWay users also have debit card access, access to online and mobile banking and the ability to use Zelle for person-to-person payments.

M&T will offer a Secured Credit Card product across the Connecticut footprint. This is an important product for many households in that it can be used to help repair and rebuild personal credit. Other product features include access to online and mobile banking. M&T will also look for opportunities to partner with community groups to promote this product as part of localized financial education efforts and in conjunction with the Bank On Certified account.

In addition to meeting the needs of Connecticut's LMI families, M&T is also focused on supporting other crucial areas of growth in the State, such as small businesses. Small business has always been a part of our ethos, and as of 2021 we are the #1 and #2 SBA lender in most of our communities and #3 in Connecticut. Furthermore, M&T was ranked the #6 SBA lender nationally, despite only operating in eight states and the District of Columbia. Our support of small business owners is unwavering and reached a pinnacle during the recent challenging times brought on by the pandemic. During 2020 alone we secured and disbursed approximately \$7 billion in Paycheck Protection Program (PPP) funding for over 35,000 small businesses that employ approximately 718,000 people. We were recognized by Greenwich Crisis Response Index (CRI) as a "Standout" among commercial banks in support of small business customers during the pandemic in 2020.

In terms of our combined level of commitment to working with local communities and organizations, M&T has been the frontrunner throughout the industry. Over the last decade, The M&T Charitable Foundation donated \$263.6 million to over 7,500 nonprofit organizations across eight states and the District of Columbia. M&T has also helped support the foundation over the years by spending approximately 2 percent of its net income on foundation giving to help bolster the communities in which we operate.

In addition, M&T and People's United's current combined charitable investments in the State of Connecticut was \$2.4 million in 2020. Following the transaction close, our goal is to continue to increase these investments by partnering with foundations and businesses that support charitable activities in the communities we serve, particularly in LMI areas. Additionally, the merger agreement stipulates that the combined bank will devote \$25 million to community investment across the People's United footprint. This is an initial investment that will jump start our ongoing commitment to our new communities. Connecticut will become one of M&T's largest and most meaningful markets; therefore, there will naturally be an increase in our giving.

As you can see, investing in the community has always been a critical part of our work. Another example of our community commitments includes M&T's Community Development Investment Portfolio. This portfolio reflects the unique needs of each individual community and builds a deep, faceted relationship with organizations operating there. The portfolio ranges from large tax credit equity transactions to smaller non-member deposits in community development credit unions, and it also includes operating grants to CRA focused non-profit organizations.

An example of the type of investment activity M&T will pursue in our new markets is the Bridgeport Rescue Mission initiative. This project supports the adaptive reuse of a former nursing home to create the Bridgeport Community Care Center located at 725 Park Avenue in Bridgeport. The former nursing home was originally constructed in 1966 and has been vacant for three years. When completed, the project will include 151 units of housing and supportive services including case management, food service, substance abuse recovery, education, employment readiness, life skills training, personal counseling, support groups, aftercare, and medical services.

Since the proposed merger with People's United was announced, our team has been intensely working to deepen and broaden our understanding and knowledge of the broader Connecticut market. This has included numerous listening sessions and conversations with new-to us- grassroots community and non-profit organizations, meetings with local, state and federal government officials, conversations with the business community and gleaning feedback from our current partners, both non-profit and for-profit. The motivation behind these efforts has been to gather input and perspectives on what matters most to the residents of this very diverse state so that we can identify investment opportunities that will have the greatest impact, particularly for the underserved and LMI families and communities. While this state-wide effort may have had a defined beginning, the process itself is ongoing and will be a hallmark of how M&T bank will operate in Connecticut.

These initiatives are just the start of our journey. At M&T, our purpose has always been to make a difference in people's lives. Throughout our 165-year history, we have continuously worked to serve all of our stakeholders – including customers, employees, communities, vendors, and shareholders – to the best of our ability. In 2020, we decided to formalize our purpose and make our commitments to these stakeholders transparent through our inaugural [ESG report](#) (link outlined on page 4). This report is meant to not only illustrate our commitments to our stakeholders and communities, but also to hold ourselves accountable as we strive to improve in the coming years.

Looking Ahead

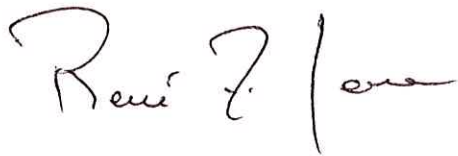
We intend to be a strong corporate citizen, to grow our relationships, and to drive—working hand in hand with government, other businesses, and university and non-profit partners alike—positive

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outcomes for all the areas currently served by People's United. I look forward to ongoing conversations and to hearing how we can continue to build our commitments to Bridgeport and other communities throughout Connecticut.

We have experience and a positive track record entering new communities in other states, such as Pennsylvania, Delaware, Maryland, and New York, and we have demonstrated our long-term commitment to the communities we serve. We are confident that we can replicate that success in Connecticut.

Sincerely,

A handwritten signature in black ink, appearing to read "Renee Z. [unclear]". The signature is written in a cursive style with a vertical line extending downwards from the end.