

M&T BANK CORP  
Form DEF 14A  
March 07, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**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

**M&T BANK CORPORATION**

(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.

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**M&T BANK CORPORATION**

One M&T Plaza

Buffalo, New York 14203

Notice of 2012 Annual Meeting of Shareholders

and

Proxy Statement

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**M&T BANK CORPORATION**

One M&T Plaza

Buffalo, New York 14203

March 7, 2012

Dear Shareholder,

You are cordially invited to attend the 2012 Annual Meeting of Shareholders of M&T Bank Corporation. Our annual meeting will be held on the 10th floor of One M&T Plaza in Buffalo, New York, on Tuesday, April 17, 2012, at 11:00 a.m.

Shareholders will be asked to elect 14 directors, to approve the compensation of M&T Bank Corporation's Named Executive Officers and to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2012. Information about these matters can be found in the attached Proxy Statement.

Whether or not you presently plan to attend the meeting, please indicate your vote by using the enclosed proxy card or by voting by telephone or the Internet. You may withdraw your proxy if you attend the meeting and wish to vote in person.

We urge you to vote for the election of all 14 nominees, to approve the compensation of M&T Bank Corporation's Named Executive Officers and to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of M&T Bank Corporation.

ROBERT G. WILMERS

Chairman of the Board and

Chief Executive Officer

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 17, 2012**

The Proxy Statement and 2011 Annual Report of M&T Bank Corporation are available at <http://ir.mandtbank.com/proxy.cfm>.

**YOUR VOTE IS IMPORTANT**

It is important that your shares be represented and voted at the Annual Meeting of Shareholders. Shareholders whose shares are held in registered form have a choice of using a traditional proxy card or voting by telephone or the Internet, as described on your proxy card. Shareholders whose shares are held in the name of a broker, bank or other intermediary must vote using the form of proxy sent by the nominee. New York Stock Exchange ( NYSE ) rules do not permit brokers to vote uninstructed shares for the election of directors or on executive compensation matters unless they have received instructions from the beneficial owner. M&T Bank Corporation therefore encourages shareholders whose shares are held in the name of a broker, bank or other intermediary to direct their vote for all of the agenda items using the form of proxy sent by the broker, bank or other intermediary. Check your proxy card or the information forwarded by your broker, bank or other intermediary to see which options are available to you. Any shareholder present at the meeting may withdraw his or her proxy and vote personally on any matter properly brought before the meeting.

**DISCONTINUE MULTIPLE MAILINGS**

If you are a shareholder of record and have more than one account in your name or at the same address as other shareholders of record, you may authorize M&T Bank Corporation to discontinue mailings of multiple annual reports and proxy statements. To discontinue multiple mailings, or to reinstate multiple mailings, please either mail your request to M&T Bank Corporation, Attention: Shareholder Relations, One M&T Plaza, Buffalo, New York 14203, or send your request to Shareholder Relations via electronic mail at [ir@mtb.com](mailto:ir@mtb.com).

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**M&T BANK CORPORATION**

One M&T Plaza

Buffalo, New York 14203

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>TIME</b>              | 11:00 a.m., local time, on Tuesday, April 17, 2012.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>PLACE</b>             | One M&T Plaza<br>10 <sup>th</sup> Floor<br>Buffalo, NY 14203                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>ITEMS OF BUSINESS</b> | (1) To elect 14 directors for a term of one year and until their successors have been elected and qualified.<br>(2) To approve the compensation of M&T Bank Corporation's Named Executive Officers.<br>(3) To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of M&T Bank Corporation for the year ending December 31, 2012.<br>(4) To transact such other business as may properly come before the meeting and any adjournments thereof.                                                                                                                                                                               |
| <b>RECORD DATE</b>       | Holders of the Common Stock of record at 5:00 p.m., Eastern Standard Time, on February 29, 2012 are entitled to vote at the meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>VOTING</b>            | It is important that your shares be represented and voted at the meeting. You can vote your shares by proxy by using one of the following methods: mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope furnished for that purpose, <b>or</b> vote by telephone or the Internet using the instructions on the enclosed proxy card. Any proxy may be revoked in the manner described in the accompanying Proxy Statement at any time prior to its exercise at the Annual Meeting of Shareholders. Any shareholder present at the meeting may withdraw his or her proxy and vote personally on any matter properly brought before the meeting. |
| March 7, 2012            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

MARIE KING

Corporate Secretary

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**M&T BANK CORPORATION**

**PROXY STATEMENT**

**INTRODUCTION**

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of M&T Bank Corporation of proxies in the accompanying form for use at the 2012 Annual Meeting of Shareholders or any adjournment or adjournments thereof.

The Annual Meeting of Shareholders of M&T Bank Corporation will be held on the 10th floor of One M&T Plaza in Buffalo, New York, on Tuesday, April 17, 2012, at 11:00 a.m., local time. M&T Bank Corporation's mailing address is One M&T Plaza, Buffalo, New York 14203, and its telephone number is (716) 842-5138.

This Proxy Statement and the accompanying form of proxy are first being sent to common shareholders of record on or about March 7, 2012. A copy of M&T Bank Corporation's Annual Report for 2011, including financial statements, has either previously been delivered or accompanies this Proxy Statement, but is not part of the proxy solicitation materials.

**VOTING RIGHTS**

Common shareholders of record at 5:00 p.m., Eastern Standard Time, on February 29, 2012 are entitled to vote at the Annual Meeting. At that time, M&T Bank Corporation had outstanding 126,424,492 shares of common stock, \$0.50 par value per share ( Common Stock ). Each share of Common Stock is entitled to one vote. Shares may not be voted at the meeting unless the owner is present or represented by proxy. A shareholder can be represented through the return of a physical proxy or by utilizing the telephone or Internet voting procedures. The telephone and Internet voting procedures are designed to authenticate shareholders by use of a control number and allow shareholders to confirm that their instructions have been properly recorded. The method by which you vote will in no way limit your right to vote at the Annual Meeting if you later decide to attend in person. A shareholder giving a proxy may revoke it at any time before it is exercised by giving written notice of such revocation or by delivering a later dated proxy, in either case, to Marie King, Corporate Secretary, at the address set forth above, or by the vote of the shareholder in person at the Annual Meeting.

Proxies will be voted in accordance with the shareholder's direction, if any. Unless otherwise directed, proxies will be voted in favor of the election as directors of the persons named under the caption NOMINEES FOR DIRECTOR, in favor of approving the compensation of M&T Bank Corporation's Named Executive Officers and in favor of ratifying the appointment of Pricewaterhouse- Coopers LLP as the independent registered public accounting firm of M&T Bank Corporation for the year ending December 31, 2012.

The presence in person or by proxy of the holders of a majority of the outstanding Common Stock will constitute a quorum for the transaction of business at the meeting. Broker non-votes will be counted as being present or represented at the meeting for purposes of establishing a quorum, but, under NYSE rules, brokers will not be permitted to vote in the election of directors or on the advisory vote to approve the compensation of M&T Bank Corporation's Named Executive Officers unless specific voting instructions are provided to the broker. M&T Bank Corporation therefore encourages shareholders or other beneficial owners of shares whose shares are held in the name of a broker, bank or other intermediary to direct their vote for all agenda items on the form of proxy sent by the broker, bank or other intermediary.

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Under M&T Bank Corporation's Amended and Restated Bylaws, in an uncontested election, the affirmative vote of a majority of the votes cast in favor or against the election of a nominee is required for the election of such nominee as a director, assuming a quorum is present or represented at the meeting. If an incumbent director in an uncontested election does not receive a majority of the votes cast in favor or against such director, that director would be required to tender his or her resignation to the Board of Directors for consideration in accordance with the Amended and Restated Bylaws.

The affirmative vote of a majority of the votes cast in favor or against the compensation of M&T Bank Corporation's Named Executive Officers (although this vote is non-binding as explained in more detail on page 9 of this Proxy Statement) and to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of M&T Bank Corporation for the year ending December 31, 2012, is required to approve each such proposal. An abstention will not constitute a vote cast and therefore will not affect the outcome of the vote on the election of directors, the approval of the compensation of M&T Bank Corporation's Named Executive Officers or the ratification of PricewaterhouseCoopers LLP as the independent registered public accounting firm of M&T Bank Corporation. Broker non-votes will not constitute votes cast on the election of directors or the approval of the compensation of M&T Bank Corporation's Named Executive Officers, and therefore will have no effect on the outcome of either of these votes.

**PRINCIPAL BENEFICIAL OWNERS OF SHARES**

The following table sets forth certain information with respect to all persons or groups known by M&T Bank Corporation to be the beneficial owners of more than 5% of its outstanding Common Stock as of February 29, 2012.

| Name and address of beneficial owner | Nature of Beneficial Ownership | Amount and   | Percent of class |
|--------------------------------------|--------------------------------|--------------|------------------|
| <b>Robert G. Wilmers and others:</b> |                                |              |                  |
| R.I. REM Investments S.A.            | Eskildsen & Eskildsen Calle    |              |                  |
|                                      | 50 102 Edificio Universal      |              |                  |
|                                      | Planta Baja Panama             | 4,513,200    | 3.57%            |
| Interlaken Foundation                | 2214 Massachusetts Ave.,       |              |                  |
|                                      | N.W. Washington, D.C. 20008    | 165,924      | less than 1%     |
| St. Simon Charitable Foundation      | 2214 Massachusetts Ave.,       |              |                  |
|                                      | N.W. Washington, D.C. 20008    | 203,664      | less than 1%     |
| Roche Foundation                     | One M&T Plaza, 19th floor      |              |                  |
|                                      | Buffalo, NY 14203              | 78,532       | less than 1%     |
| West Ferry Foundation                | One M&T Plaza, 19th floor      |              |                  |
|                                      | Buffalo, NY 14203              | 141,825      | less than 1%     |
| Elisabeth Roche Wilmers              | One M&T Plaza, 19th floor      |              |                  |
|                                      | Buffalo, NY 14203              | 461,273      | less than 1%     |
| Robert G. Wilmers                    | One M&T Plaza, 19th floor      |              |                  |
|                                      | Buffalo, NY 14203              | 4,507,807    | 3.57%            |
| Group Total                          |                                | 9,482,280(1) | 7.50%            |

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| Name and address of beneficial owner      | Nature of Beneficial Ownership                        | Amount and   | Percent of class |
|-------------------------------------------|-------------------------------------------------------|--------------|------------------|
| <b>BlackRock, Inc.</b>                    | 40 East 52 <sup>nd</sup> Street<br>New York, NY 10022 | 7,236,147(2) | 5.72%            |
| <b>Wellington Management Company, LLP</b> | 280 Congress Street<br>Boston, MA 02210               | 6,847,987(3) | 5.42%            |

- (1) The members of this group have jointly filed with the U.S. Securities and Exchange Commission ( SEC ) a Schedule 13D, as amended, indicating that they constitute a group as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended ( Exchange Act ). Each member of the group has indicated in such amended Schedule 13D or otherwise advised M&T Bank Corporation that such member has sole voting and dispositive power with respect to the shares indicated opposite such member's name in the table. Robert G. Wilmers, chairman of the board and chief executive officer of M&T Bank Corporation, is the trustee of the West Ferry Foundation, a charitable trust formed by him, and, as trustee, holds sole voting and dispositive power over the shares which it owns. Mr. Wilmers is also the sole director and president of the Roche Foundation, and holds sole voting and dispositive power over the shares owned by it. He is a director and president of the Interlaken Foundation and the St. Simon Charitable Foundation, and holds voting and dispositive power over the shares owned by each of them. As to Mr. Wilmers, the shares indicated in the table as being owned by him include the shares owned by the Interlaken Foundation, the West Ferry Foundation, the Roche Foundation, and the St. Simon Charitable Foundation, and 400,000 shares owned by a limited liability company of which he is the sole member. See also the footnotes applicable to Mr. Wilmers in the table set forth under the caption STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS.
- (2) Blackrock, Inc. ( BlackRock ) filed an amended Schedule 13G with the SEC on February 13, 2012 reporting that it is deemed to be the beneficial owner of in excess of 5% of the outstanding shares of Common Stock. BlackRock reported that it has sole voting power with respect to all 7,236,147 of the indicated shares, which includes shares beneficially owned by certain subsidiaries of BlackRock.
- (3) Wellington Management Company, LLP ( Wellington Management ) filed a Schedule 13G with the SEC on February 14, 2012 reporting that it is deemed to be the beneficial owner of in excess of 5% of the outstanding shares of Common Stock. Wellington Management reported that it has shared voting power with respect to 3,764,532 of the indicated shares.

M&T Bank Corporation is the sponsor of various employee benefit plans that hold an aggregate of 4,425,060 shares of Common Stock as of February 29, 2012. Its principal banking subsidiary, Manufacturers and Traders Trust Company ( M&T Bank ), has sole voting authority over 1,227,923 of these shares. The remaining 3,197,137 shares of Common Stock are voted by the trustee of the applicable employee benefit plan pursuant to the instructions of the participants in accordance with the terms of each such plan. Certain of the directors and executive officers of M&T Bank Corporation hold indirect beneficial interests in the holdings of these employee benefit plans. See also footnote (3) in the table set forth under the caption STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS.

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### **ELECTION OF DIRECTORS**

The following 14 persons have been recommended by the Board of Directors for election as directors of M&T Bank Corporation, to hold office until the 2013 Annual Meeting of Shareholders and until their successors have been elected and qualified. Each of the nominees listed below was elected at the 2011 Annual Meeting of Shareholders.

If any nominee for any reason should become unavailable for election or if a vacancy should occur before the election (which events are not expected), it is intended that the shares represented by the proxies will be voted for such other person, if any, as the Nomination, Compensation and Governance Committee shall designate.

The principal occupation and current public company directorships, as well as public company directorships held at any time during the past five years, of each of the nominees is listed below. The information with respect to the nominees is as of February 29, 2012, and includes each nominee's affiliations with M&T Bank Corporation's subsidiary banks, M&T Bank and Wilmington Trust, National Association, which was formerly known as M&T Bank, National Association (Wilmington Trust, N.A.), and with M&T Bank's principal operating subsidiaries.

### **NOMINEES FOR DIRECTOR**

**BRENT D. BAIRD is 73, is a member of the Executive Committee and the Nomination, Compensation and Governance Committee and has been a director since 1983.**

Mr. Baird has been a private investor since prior to 2006. He is a director of M&T Bank and a member of its Executive and Trust and Investment Committees. Mr. Baird is a director of M&T Financial Corporation and a member of M&T Bank's Directors Advisory Council-New York City/Long Island Division. He was formerly a director of First Carolina Investors, Inc., Merchants Group, Inc., Allied Healthcare Products, Inc., Sun-Times Media Group, Inc. and Todd Shipyards Corporation.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his investment management expertise, stature in the local community and experience with the organization in making the determination that Mr. Baird should be a nominee for director of M&T Bank Corporation.

**C. ANGELA BONTEMPO is 71, is a member and the chair of the Audit and Risk Committee and has been a director since 1991.**

Ms. Bontempo is the former president and chief executive officer and a former director of Saint Vincent Health System, located in Erie, Pennsylvania, all roles she held since prior to 2006. From 1998 to June 2001, she was president and chief executive officer of Bryant & Stratton College, a system of proprietary colleges headquartered in Buffalo, New York. From 1994 through 1998, Ms. Bontempo served as senior vice president and executive director of the Roswell Park Cancer Institute. She is a director of M&T Bank and a member and the chair of its Examining Committee. Ms. Bontempo is also a member of the advisory board of Ciminelli Development Company, Inc. and serves as a consultant to Ciminelli Properties, LLC.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to her financial expertise, stature in the local community and experience with the organization in making the determination that Ms. Bontempo should be a nominee for director of M&T Bank Corporation.

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**ROBERT T. BRADY is 71, is a member of the Nomination, Compensation and Governance Committee and has been a director since 1994.**

Mr. Brady was, from 1996 until 2011, chairman of the board of directors and chief executive officer of Moog Inc., a worldwide manufacturer of control systems and components for aircraft, satellites, automated machinery and medical equipment. He now serves as Moog's executive chairman. Mr. Brady is a director of M&T Bank. He is a director of National Fuel Gas Company and Astronics Corporation. Mr. Brady is also a director of the Buffalo Niagara Partnership, a director of the Albright-Knox Art Gallery and serves on the University at Buffalo Council.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his significant public company managerial experience, stature in the local community and tenure with the organization in making the determination that Mr. Brady should be a nominee for director of M&T Bank Corporation.

**T. JEFFERSON CUNNINGHAM III is 69 and has been a director since 2001.**

Mr. Cunningham is a director of M&T Bank, was a member of its Community Reinvestment Act Committee and is a member and the chairman of M&T Bank's Directors Advisory Council-Hudson Valley Division. He assumed these positions with M&T Bank Corporation and M&T Bank upon M&T Bank Corporation's acquisition of Premier National Bancorp, Inc. (Premier) on February 9, 2001. In 2011, Mr. Cunningham also became a member of M&T Bank's Trust and Investment Committee. From 1994 through February 9, 2001, he served as chairman of the board and chief executive officer of Premier and its bank subsidiary, Premier National Bank, and of Premier's predecessor, Hudson Chartered Bancorp, Inc. Mr. Cunningham is, and has been since prior to 2006, chairman and chief executive officer of Magnolia Capital Management, Ltd., a registered investment adviser. He is also a trustee of Boscobel Restoration, Inc., a trustee of Open Space Institute and an advisory director of the Hudson River Valley Greenway Communities Council.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his significant experience in the financial services industry, including his prior service as a chief executive officer, and his experience with the organization in making the determination that Mr. Cunningham should be a nominee for director of M&T Bank Corporation.

**MARK J. CZARNECKI is 56 and has been a director since 2007. He is president of M&T Bank Corporation.**

Mr. Czarnecki is the president and a director of M&T Bank, and is chairman of its Trust and Investment Committee. Prior to his appointment as the president of M&T Bank Corporation and M&T Bank on January 1, 2007, he served as an executive vice president of M&T Bank Corporation and M&T Bank and was in charge of the M&T Investment Group and M&T Bank's retail banking network. Mr. Czarnecki is the chairman of the board, president and chief executive officer of Wilmington Trust, N.A. and a member of its Trust and Investment Committee, and also serves as a director and officer of a number of principal subsidiaries of M&T Bank. Mr. Czarnecki joined M&T Bank in 1977 in the branch banking system and has served in a number of executive and management positions. He serves as chairman of the board of trustees of M&T Bank's partner school, Westminster Community Charter School, is a vice chairman of the University at Buffalo Council and a director of the Buffalo Niagara Partnership.

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The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his current position and experience with the organization in making the determination that Mr. Czarnecki should be a nominee for director of M&T Bank Corporation.

### **GARY N. GEISEL is 63 and has been a director since 2009.**

Mr. Geisel is a director of M&T Bank and the chairman and a member of M&T Bank's Directors Advisory Council-Baltimore- Washington Division. He was the chairman of the board and chief executive officer of Provident Bankshares Corporation ( Provident ) and Provident Bank from April 2003 until M&T Bank Corporation's acquisition of Provident on May 23, 2009. Before becoming chairman and chief executive officer, Mr. Geisel was president and chief operating officer of Provident and Provident Bank from January 2001 until April 2003. He was also a director of Provident and Provident Bank from 2001 until the acquisition on May 23, 2009. Mr. Geisel is a member of the boards of directors and executive committees of St. Agnes Hospital and Goodwill Industries of the Chesapeake, Inc. He is the Chairman of St. Agnes Hospital.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his significant experience in the financial services industry, including his prior service as a chief executive officer, and stature in the local community in making the determination that Mr. Geisel should be a nominee for director of M&T Bank Corporation.

### **PATRICK W.E. HODGSON is 71, is a member of the Executive Committee and the Audit and Risk Committee and has been a director since 1987.**

Mr. Hodgson is, and has been since prior to 2006, president of Cinnamon Investments Limited, a private investment company with securities holdings. He is a director and a member of the Executive, Examining and Trust and Investment Committees of M&T Bank. Mr. Hodgson was the chairman of Todd Shipyards Corporation from 1993 to 2011.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his financial expertise, public company managerial experience and his experience with the organization in making the determination that Mr. Hodgson should be a nominee for director of M&T Bank Corporation.

### **RICHARD G. KING is 67, is a member of the Audit and Risk Committee and has been a director since 2000.**

Mr. King is chairman of the executive committee of Utz Quality Foods, Inc., a manufacturer and distributor of salted snack foods located in Hanover, Pennsylvania. He formerly served as president and chief operating officer of Utz from January 1996 until December 2007. Mr. King is a director of M&T Bank and a member of its Examining and Trust and Investment Committees. Mr. King had served as a director of Keystone Financial Inc. ( Keystone ) from 1997, and as director of Keystone Financial Bank, N.A. from 1999, through M&T Bank Corporation's acquisition of Keystone Financial Inc. in 2001. He is also a director of High Industries, Inc., Hanover Shoe Farms, Inc. and WITF, Inc.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his significant management experience and experience with the organization in making the determination that Mr. King should be a nominee for director of M&T Bank Corporation.

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**JORGE G. PEREIRA is 78 and has been a director since 1982. He is a vice chairman of the board of M&T Bank Corporation and is a member and the chairman of its Nomination, Compensation and Governance Committee.**

Mr. Pereira has been a private investor since prior to 2006. He is a vice chairman of the board and a director of M&T Bank. Mr. Pereira also serves as the lead independent director of M&T Bank Corporation and has been designated as the presiding director of the non-management directors of M&T Bank Corporation when they meet in executive sessions.

The Nomination, Compensation and Governance Committee considered his significant international experience in the financial services industry and experience with the organization in making the determination that Mr. Pereira should be a nominee for director of M&T Bank Corporation.

**MICHAEL P. PINTO is 56 and has been a director since 2003. He is a vice chairman of the board of M&T Bank Corporation.**

Mr. Pinto is a vice chairman and a director of M&T Bank, chairman and chief executive officer of M&T Bank's Mid-Atlantic Division, and executive vice president and a director of Wilmington Trust, N.A. He is also a member of the Trust and Investment Committee of Wilmington Trust, N.A. and a director and officer of a number of subsidiaries of M&T Bank. Mr. Pinto joined M&T Bank in 1985 as an executive associate and has served in a number of executive positions, including as chief financial officer. He is a member of the board of trustees of Mercy Health Services, Inc., and the board of directors of the Baltimore Symphony Orchestra.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his prior service as chief financial officer, current position and experience with the organization in making the determination that Mr. Pinto should be a nominee for director of M&T Bank Corporation.

**MELINDA R. RICH is 54 and has been a director since 2009.**

Mrs. Rich is a director of M&T Bank and past chair of its Community Reinvestment Act Committee. She is, and has been since July 2006, vice chairman of Rich Products Corporation, a privately owned frozen food manufacturer headquartered in Buffalo, New York. Mrs. Rich is chairperson of Rich Products Corporation's finance and audit committee and a member of Rich Products Corporation's executive committee. She is also the president of Rich Entertainment Group, which consists of various businesses in the sports, entertainment and restaurant industries. Mrs. Rich is also a director of several other entities within the Rich Products Corporation family of companies. She is a former director of Wm. Wrigley, Jr. Company, having served in such capacity from January 1999 through October 2008, and she was chair of its corporate governance committee from March 2005 through October 2008. Mrs. Rich is currently an ex-officio director of the Erie Canal Harbor Development Corporation as well as a director of Cleveland Clinic's Wellness Institute Leadership Council and Cleveland Clinic Innovations Board of Regents. She is a director of several charitable foundations including The Culinary Institute of America, Rich Family Foundation, DreamCatcher Foundation, Inc. and Cleveland Rock and Roll, Inc./Rock and Roll Hall of Fame & Museum.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to her significant management experience, stature in the local community in making the determination that Mrs. Rich should be a nominee for director of M&T Bank Corporation.



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### **ROBERT E. SADLER, JR. is 66 and has been a director since 1999.**

Mr. Sadler is a former vice chairman of the board of M&T Bank Corporation and M&T Bank. He joined M&T Bank in 1983 and served in a number of executive positions until his retirement in June 2010, after which he continued as a consultant. From June 21, 2005 to January 1, 2007, he also served as president and chief executive officer of M&T Bank Corporation and M&T Bank. Mr. Sadler serves as a director of Gibraltar Industries, Inc., Delaware North Companies and Security Mutual Life Insurance Company of New York.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his prior service as chief executive officer and experience with the organization in making the determination that Mr. Sadler should be a nominee for director of M&T Bank Corporation.

### **HERBERT L. WASHINGTON is 61, is a member of the Audit and Risk Committee and has been a director since 1996.**

Mr. Washington is, and has been since prior to 2006, president of H.L.W. Fast Track, Inc., the owner and operator of twenty-five McDonald's Restaurants located in Ohio and Pennsylvania. Mr. Washington is a director and a member of the Examining Committee of M&T Bank.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his significant management experience and experience with the organization in making the determination that Mr. Washington should be a nominee for director of M&T Bank Corporation.

### **ROBERT G. WILMERS is 77 and has been a director since 1982. He is the chairman of the board and chief executive officer of M&T Bank Corporation, and is the chairman of its Executive Committee.**

Mr. Wilmers is the chairman of the board and chief executive officer of M&T Bank, chairman of its Executive Committee and a member of its Trust and Investment Committee.

The Nomination, Compensation and Governance Committee considered these qualifications, in addition to his current position and experience with the organization in making the determination that Mr. Wilmers should be a nominee for director of M&T Bank Corporation.

### **THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF ALL 14 NOMINEES.**

The voting requirements with respect to the election of directors are specified under the caption VOTING RIGHTS.

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**ADVISORY (NON-BINDING) PROPOSAL TO APPROVE THE COMPENSATION OF M&T BANK CORPORATION'S NAMED EXECUTIVE OFFICERS**

M&T Bank Corporation believes that its 2011 compensation policies and practices are centered on a pay-for-performance culture and are strongly aligned with the long-term interests of our shareholders. These policies and practices are described in detail on pages 14 to 24 of this Proxy Statement.

The American Recovery and Reinvestment Act of 2009, enacted on February 17, 2009, provides that all participants in the Troubled Asset Relief Program, or TARP, permit a non-binding shareholder vote to approve the compensation of the participant's executives. On January 12, 2010, the SEC adopted final rules implementing this requirement. Therefore, the Board of Directors is providing our shareholders with the right to cast an advisory vote on the compensation of M&T Bank Corporation's Named Executive Officers at the 2012 Annual Meeting of Shareholders.

This proposal, commonly known as a "say-on-pay" proposal, gives shareholders the opportunity to vote on the compensation of M&T Bank Corporation's Named Executive Officers through the following resolution:

**RESOLVED, that the shareholders of M&T Bank Corporation approve the compensation of its Named Executive Officers disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and any related material contained in this Proxy Statement.**

The shareholder vote on this matter is advisory and will therefore not be binding upon the Board of Directors.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THIS RESOLUTION.**

In January 2011, the SEC adopted amendments to the Exchange Act and the related regulations that require all companies to conduct a shareholder advisory vote on executive compensation and separate shareholder vote to determine how often a company will conduct such shareholder advisory votes (so-called "say-on-frequency"). Under the amendments, companies that still have outstanding obligations under TARP and therefore must already hold an annual shareholder advisory vote on executive compensation are not required to conduct a say-on-frequency vote until they are no longer subject to the Emergency Economic Stabilization Act of 2008 ("EESA") as a TARP recipient.

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**PROPOSAL TO RATIFY THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF M&T BANK CORPORATION**

On February 21, 2012, the Audit and Risk Committee appointed PricewaterhouseCoopers LLP, certified public accountants, as the independent registered public accounting firm of M&T Bank Corporation for the year 2012, a capacity in which it has served since 1984.

Although shareholder approval of the appointment of the independent registered public accounting firm is not required by law, M&T Bank Corporation has determined that it is desirable to request that the shareholders ratify the Audit and Risk Committee's appointment of PricewaterhouseCoopers LLP as M&T Bank Corporation's independent registered public accounting firm for the year ending December 31, 2012. In the event the shareholders fail to ratify the appointment, the Audit and Risk Committee will reconsider this appointment and make such a determination as it believes to be in M&T Bank Corporation's and its shareholders' best interests. Even if the appointment is ratified, the Audit and Risk Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit and Risk Committee determines that such a change would be in M&T Bank Corporation's and its shareholders' best interests.

Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting of Shareholders. The representatives may, if they wish, make a statement and, it is expected, will be available to respond to appropriate questions.

Following is a summary of the fees billed to M&T Bank Corporation by PricewaterhouseCoopers LLP for professional services rendered during 2011 and 2010, which fees totaled \$4,367,515 and \$3,480,430, respectively, and are categorized in accordance with the SEC's rules as follows:

**Audit Fees.** Fees billed by PricewaterhouseCoopers LLP for services rendered for the audit of M&T Bank Corporation's annual consolidated financial statements as of and for the years ended December 31, 2011 and 2010, for its review of M&T Bank Corporation's quarterly consolidated financial statements during 2011 and 2010, and for other audit and attest services in connection with statutory and regulatory filings as of and for the years ended December 31, 2011 and 2010, totaled \$3,316,571 and \$2,478,300, respectively.

**Audit-Related Fees.** Fees billed by PricewaterhouseCoopers LLP for audit-related services, including audits of employee benefit plans and other attest services that are not required by statute or regulation, rendered to M&T Bank Corporation totaled \$654,163 and \$869,075 for the years ended December 31, 2011 and 2010, respectively. Of the audit-related fees billed for the years ended December 31, 2011 and 2010, all services were pre-approved by the Audit and Risk Committee.

**Tax Fees.** Fees billed by PricewaterhouseCoopers LLP for tax compliance, planning and consulting totaled \$390,800 and \$124,150 for the years ended December 31, 2011 and 2010, respectively. Of the tax fees billed for the years ended December 31, 2011 and 2010, all services were pre-approved by the Audit and Risk Committee.

**All Other Fees.** PricewaterhouseCoopers LLP billed a total of \$5,981 and \$8,905 for research software licensing fees for the years ended December 31, 2011 and 2010, respectively. All fees billed in this category for the years ended December 31, 2011 and 2010 were pre-approved by the Audit and Risk Committee.

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In addition to the above services, for the year ended December 31, 2010, PricewaterhouseCoopers LLP directly billed M&T Bank Corporation a total of \$217,500 for attestation reports required by the U.S. Department of Education for which M&T Bank Corporation was reimbursed by other participating financial institutions.

The Audit and Risk Committee has determined that PricewaterhouseCoopers LLP's provision of professional services is compatible with maintaining its independence. No fees were billed and no services were provided by PricewaterhouseCoopers LLP during 2011 and 2010 for financial information systems design and implementation.

No other fees were billed for any other services and no other services were provided by PricewaterhouseCoopers LLP for the years ended December 31, 2011 and 2010.

**Policy on Audit and Risk Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm.** Beginning for the year ended December 31, 2003, M&T Bank Corporation instituted a policy that the Audit and Risk Committee pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally detailed as to the particular service or category of services and is generally subject to a specific budget range. The independent registered public accounting firm and management are required to periodically report to the Audit and Risk Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval policy, and the fees for the services performed to date. The Audit and Risk Committee may also pre-approve additional services on a case-by-case basis. In the period between meetings of the Audit and Risk Committee, the Chair of the Audit and Risk Committee is authorized to pre-approve such services on behalf of the Audit and Risk Committee provided that such pre-approval is reported to the Audit and Risk Committee at its next regularly scheduled meeting.

Before appointing PricewaterhouseCoopers LLP, the Audit and Risk Committee considered PricewaterhouseCoopers LLP's qualifications as an independent registered public accounting firm. This included a review of the qualifications of the engagement team, the quality control procedures the firm has established, any issues raised by the most recent quality control review of the firm, as well as its reputation for integrity and competence in the fields of accounting and auditing. The Audit and Risk Committee's review also included matters required to be considered under the SEC's rules on auditor independence, including the nature and extent of non-audit services, to ensure that the auditor's independence will not be impaired. The Audit and Risk Committee has considered and determined that PricewaterhouseCoopers LLP's provision of non-audit services to M&T Bank Corporation during 2011 is compatible with and did not impair PricewaterhouseCoopers LLP's independence.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF M&T BANK CORPORATION FOR THE YEAR ENDING DECEMBER 31, 2012.**

The voting requirements with respect to this proposal are specified under the caption VOTING RIGHTS.

**Table of Contents****STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS**

Direct and indirect ownership of Common Stock and restricted Common Stock by each of the directors, each of the executive officers who are named in the Summary Compensation Table (the Named Executive Officers or NEOs), and by all directors and executive officers as a group, is set forth in the following table as of February 29, 2012, together with the percentage of total shares outstanding represented by such ownership. (For purposes of this table, beneficial ownership has been determined in accordance with the provisions of Rule 13d-3 under the Exchange Act, under which, in general, a person is deemed to be the beneficial owner of a security if such person has or shares the power to vote or to direct the voting of the security or the power to dispose or to direct the disposition of the security, or if such person has the right to acquire the beneficial ownership of the security within 60 days.)

| Name of beneficial owner                            | Number of shares | Percent of class |
|-----------------------------------------------------|------------------|------------------|
| Brent D. Baird                                      | 21,997           | (9)              |
| Robert J. Bennett                                   | 109,063(1)       | (9)              |
| C. Angela Bontempo                                  | 8,823(2)         | (9)              |
| Robert T. Brady                                     | 5,253            | (9)              |
| Michael D. Buckley                                  | 3,937            | (9)              |
| T. Jefferson Cunningham III                         | 9,358            | (9)              |
| Mark J. Czarnecki                                   | 342,778(3)       | (9)              |
| Donald E. Foley                                     | 751              | (9)              |
| Gary N. Geisel                                      | 44,420(3)        | (9)              |
| Patrick W.E. Hodgson                                | 56,392(4)        | (9)              |
| Richard G. King                                     | 15,758           | (9)              |
| Jorge G. Pereira                                    | 1,107,629(5)     | (9)              |
| Michael P. Pinto                                    | 427,918(3)       | (9)              |
| Melinda R. Rich                                     | 10,179           | (9)              |
| Robert E. Sadler, Jr.                               | 154,741(6)       | (9)              |
| Herbert L. Washington                               | 8,218            | (9)              |
| Robert G. Wilmers                                   | 4,507,807(7)(8)  | 3.57%            |
| René F. Jones                                       | 146,485(3)(7)    | (9)              |
| Kevin J. Pearson                                    | 199,950(3)       | (9)              |
| Current directors and executive officers as a group |                  |                  |
| (28 persons)                                        | 8,255,658(3)(7)  | 6.44%            |

- (1) Includes 9,170 shares held by trusts for which Mr. Bennett is a trustee and in which he has a pecuniary interest and investment power and 50,480 shares held by a close relative of Mr. Bennett for which beneficial ownership is disclaimed.
- (2) Includes 400 shares held by trusts for which Ms. Bontempo is a trustee and in which she has a pecuniary interest and investment power.
- (3) Includes the following shares subject to options granted under (a) M&T Bank Corporation's incentive compensation plans, and (b) plans of companies acquired by M&T Bank Corporation, the obligations of which have been assumed by M&T Bank Corporation and converted into options to receive shares of Common Stock, all of which are currently exercisable or are exercisable within 60 days after February 29, 2012: Mr. Czarnecki 273,289 shares; Mr. Geisel 24,360 shares; Mr. Jones 98,053; Mr. Pearson

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- 159,698 shares; Mr. Pinto 329,361 shares; and all directors and executive officers as a group 1,705,056 shares. Out-of-the-money options are included in the shares presented as beneficially owned to the extent they are currently exercisable or exercisable within 60 days after February 29, 2012. Also includes shares of restricted Common Stock as of February 29, 2012 as follows: Mr. Jones 20,695 shares; Mr. Pearson 24,038 shares; and all directors and executive officers as a group 87,065 shares.
- (4) Includes 6,000 shares held by a close relative of Mr. Hodgson for which beneficial ownership is disclaimed. Also includes 45,000 shares owned by a corporation controlled by Mr. Hodgson which shares are held in a margin account with other securities that may be pledged from time to time.
  - (5) Includes 1,104,000 shares owned by corporations controlled by Mr. Pereira.
  - (6) Includes 21,923 shares owned by the Sadler Family Foundation, a charitable foundation formed by Mr. Sadler. Mr. Sadler is a trustee of the Sadler Family Foundation and holds voting and dispositive power over the shares owned by it. Also includes 57,202 shares held in a grantor retained annuity trust of which Mr. Sadler is the trustee and his descendants are beneficiaries. Mr. Sadler disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
  - (7) Includes the following shares through participation in the M&T Bank Corporation Retirement Savings Plan (the Retirement Savings Plan ): Mr. Wilmers 50,029 shares; Mr. Jones 5,971 shares; Mr. Pearson 2,359 shares; and all directors and executive officers as a group 81,296 shares. Such individuals retain voting and investment power over their respective shares in the Retirement Savings Plan.
  - (8) See footnote (1) to the table set forth under the caption PRINCIPAL BENEFICIAL OWNERS OF SHARES.
  - (9) Less than 1%.

**Section 16(a) Beneficial Ownership Reporting Compliance.** Under Section 16(a) of the Exchange Act, M&T Bank Corporation's directors and officers and persons who beneficially own more than 10% of the outstanding shares of Common Stock are required to report their beneficial ownership of the Common Stock and any changes in that beneficial ownership to the SEC and the NYSE. M&T Bank Corporation believes that these filing requirements were satisfied by all of its directors and officers during 2011. In making the foregoing statement, M&T Bank Corporation has relied on copies of the reporting forms received by it or on the written representations from such reporting persons that no additional forms were required to be filed under the applicable rules of the SEC.

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### COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

#### Compensation Discussion and Analysis

**Overview of M&T Bank Corporation and 2011 Financial Performance.** M&T Bank Corporation (sometimes referred to in this discussion as M&T or the Company) is a financial holding company that offers a wide range of commercial banking, trust, wealth advisory and investment services to its customers. As of December 31, 2011, M&T had consolidated total assets of \$77.9 billion, deposits of \$59.4 billion and shareholders' equity of \$9.3 billion, and employed 14,235 full-time and 1,431 part-time employees. M&T reported net income of \$859 million and diluted earnings per common share of \$6.35 for the year ended December 31, 2011, both as reported in accordance with generally accepted accounting principles. M&T also improved its return on average assets and average shareholders' equity during the year, maintaining top quartile performance on those key measures relative to our comparison group of other commercial banking companies (as described below). M&T's performance in 2011 equaled or exceeded its business plan on every key measure, including net income, earnings per common share, return on assets, return on equity, various credit metrics, and various capital ratios, other than net interest margin and efficiency ratio. In addition, M&T's total return to shareholders, while negative for 2011, which was also true for all but one of our comparison group, was above the median of the comparison group for both 2011 and the two-year period of 2010 through 2011, and earnings-per-share growth was in the top quartile of the comparison group for the period of financial and economic difficulties experienced from 2006 through 2011.

**Overview and Objectives of Executive Compensation Programs.** The objective of M&T's compensation programs is to attract, develop and retain executive officers capable of maximizing performance for the benefit of the Company's shareholders. Our compensation philosophy is, and has long been, to emphasize long-term, equity-based compensation for its Named Executive Officers (sometimes referred to as NEOs) and other employees. This philosophy allows M&T to align its compensation with performance in two ways:

first, by explicitly linking the size and kind of equity awards to be granted to the NEOs based on the performance of the Company in the past; and

second, by tying the NEOs' ultimate realized compensation to the future value of M&T Common Stock based on the performance of the Company and in alignment with our shareholders, and by seeking to balance growth with prudent risk-taking.

Due in part to our heavy emphasis on equity compensation, management and other employees of the Company have accumulated a sizable ownership interest in the Company, which strengthens the alignment of these employees' incentives with those of the Company's shareholders.

Our ability to fulfill the objective of M&T's compensation programs and maintain our compensation philosophy has been impacted by the rules governing executive compensation applicable to financial institutions that received investments from the U.S. Department of the Treasury (sometimes referred to as Treasury) under the TARP Capital Purchase Program (sometimes referred to as the TARP CPP). As discussed in greater detail below, we have been required to modify the compensation structure for our NEOs, other executive officers and certain highly compensated employees in order to comply with these rules while still ensuring that we remain competitive in attracting, developing and retaining high performing executive officers and other employees.

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**Implications of Participation in the TARP CPP on Executive Compensation Arrangements.** As a result of M&T's participation in the TARP CPP, M&T became subject to certain restrictions on executive compensation set forth in Section 111 of EESA and the Securities Purchase Agreement entered into by M&T Bank Corporation and Treasury on December 23, 2008. Subsequently, the American Recovery and Reinvestment Act of 2009 was signed into law on February 17, 2009 and included a provision that amended Section 111 of EESA and directed Treasury to establish specified standards on executive compensation and corporate governance. On June 15, 2009, Treasury published its Interim Final Rule on TARP Standards for Compensation and Corporate Governance (sometimes referred to as the TARP Interim Final Rule) which established those standards (sometimes referred to as the TARP Compensation Standards). The TARP Compensation Standards generally apply to all TARP recipients in the programs under TARP, including specifically to M&T under the TARP CPP.

The standard that has the largest impact on M&T's compensation structure is a prohibition on paying bonuses, retention awards and incentive compensation, other than limited amounts of long-term restricted stock or pursuant to commission plans or certain preexisting employment contracts, to our Senior Executive Officers, or SEOs, which includes our five NEOs, and the next 20 most highly compensated employees.

**Process for Determining Executive Compensation.** The Nomination, Compensation and Governance Committee of our Board of Directors (sometimes referred to in this discussion as the Committee) is responsible for determining the compensation of our NEOs. As discussed below, the Committee reviews the compensation levels of the NEOs relative to a group of commercial banking peers and considers the financial performance of the Company relative to that peer group as well as certain other factors, including our compensation mix strategy as described herein and individual and corporate performance, in determining the amount and mix of compensation to be paid to each NEO and, when applicable, in compliance with the TARP Compensation Standards.

*Compensation Review.* At least annually, the Committee compares compensation levels for the NEOs and M&T's financial performance to a group of commercial banking institutions of similar business makeup, size and geographic reach. For 2011, the Committee determined it appropriate to use for this purpose the same group that the Company uses for financial performance comparison purposes. M&T selected the following 11 commercial banking companies, which group was determined by taking the group of U.S. based commercial bank holding companies having assets of at least \$30 billion but not more than \$300 billion as of December 31, 2010, and removing those that have a significantly dissimilar business mix, or have a substantial international presence:

BB&T Corporation

Capital One Financial Corporation

Comerica Incorporated

Fifth Third Bancorp

Huntington Bankshares Incorporated

KeyCorp

PNC Financial Services Group, Inc.

Regions Financial Corp.



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SunTrust Banks, Inc.

Synovus Financial Corp.

Zions Bancorporation

The 2011 comparison group differed from the 2010 comparison group in that US Bancorp (too large), First Horizon National Corporation (too small) and Marshall & Ilsley Corp. (acquired by foreign bank) were removed.

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Consistent with its philosophy of providing incentives that link compensation to firm performance, in determining the appropriate mix of compensation among base salary, annual cash incentives and stock-based compensation, the Committee assesses the performance of each NEO after the year is complete against management's annual business plan that is approved by the Board of Directors. The plan provides the Committee with a detailed assessment of our expectations for M&T's performance, including its return on assets, return on equity, earnings-per-share growth, expense management, revenue growth, market concentration, credit quality measures and various other financial performance measures. The Committee assesses the performance of each NEO in light of the business plan and relative to the performance of the firms in the comparison group.

The Committee considers a number of factors specific to each executive's role when determining the amount and mix of compensation to be paid. These factors are briefly summarized in the table below:

### **Executive Officers**

### **Factors Included among Committee Considerations**

All NEOs

Compensation of comparable executives at the comparison group firms;

Financial performance of M&T (especially on a net operating basis, which excludes the effect of one-time gains and expenses) over the most recent fiscal year and prior years;

Achievement of M&T compared to its corporate, financial, strategic and operational objectives and business plans and compared to the performance of the comparison group firms;

Cumulative shareholder return; and

Restrictions placed on compensation by the TARP Compensation Standards.

NEOs other than the Chief Executive Officer

Recommendations of the Chief Executive Officer and other applicable senior managers, and an assessment of individual performance.

*Role of Compensation Consultants.* In both 2010 and 2011, the Nomination, Compensation and Governance Committee retained the services of McLagan to review the NEOs' compensation and to provide insights for each of those years into the anticipated compensation levels within the comparison group for 2010 and 2011 performance. McLagan's review included a review of the following components of NEO compensation:

base salaries;

annual incentives; and

long-term incentives, including stock-based compensation.

The review compared NEO compensation to the compensation of the comparison group as determined by McLagan based on information provided by the comparison group in the 2010 and 2011 proxy statements, surveys and other sources. The Committee uses information about the comparison group to help assess the competitiveness of the Company's pay practices. McLagan also provided opinions to the Committee regarding the reasonableness of the compensation determinations made with respect to the NEOs in January 2011 and January 2012 and their compliance with the TARP Compensation Standards. Additional information regarding McLagan and a description of the services provided by it and its affiliates to M&T during 2011, including the fees paid by M&T, is provided in this Proxy Statement in the section below entitled CORPORATE GOVERNANCE OF M&T BANK CORPORATION.

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**Components of Executive Compensation.** Consistent with M&T's compensation philosophy of linking NEO incentives to those of shareholders, the Committee historically tended to award a relatively higher percentage of compensation in the form of equity than members of the comparison group. This philosophy also explains why M&T historically has generally paid less in base salary (which is less sensitive to performance) than members of the comparison group.

In 2011, the aggregate total compensation (total cash compensation plus stock-based compensation or other long-term incentives) of the NEOs was below the aggregate medians for comparable executives employed by the members of the comparison group. With some members of the comparison group subject to the TARP Compensation Standards and some members not subject to such rules, it is difficult to make meaningful comparisons of the individual components of compensation. Consequently, in determining the appropriate level of compensation for the NEOs, the Committee focused on the total compensation of comparable positions within the comparison group. We provide a brief explanation of the factors used to determine each component of the NEOs' compensation in the sections that follow.

**Salaries.** Base salaries of the NEOs are determined by the Committee based on a variety of factors, including the scope of the executive's responsibilities, historical base salaries of comparable executives employed by members of the comparison group, and past and expected future contributions. In line with the Company's strategy of emphasizing compensation that links executives' incentives to those of shareholders, particularly long-term stock-based compensation, salaries of the NEOs historically have generally been set below the median salaries for executives employed by firms in the comparison group. In considering the appropriate salaries for the NEOs in 2011 and 2012, the Committee considered it appropriate to account for the impact of the TARP Compensation Standards and incorporated a stock salary component into each NEO's base salary in order to maintain total compensation for each NEO that is competitive with comparable positions with firms in the comparison group. In making this determination, the Committee considered the benefit of using stock salary over additional cash salary in order to continue emphasizing equity-based compensation for the NEOs.

*2011 Salary Determinations.* The Committee made base salary determinations for 2011 for the NEOs in January 2011. In making such determinations, the Committee took into consideration the fact that it could not approve any cash incentives to the NEOs for 2010 performance under the TARP Compensation Standards and that the value of equity awards it could approve in 2011 was limited by the TARP Compensation Standards. The Committee determined that due to M&T's strong performance in 2010, compared to both that of the comparison group and its business plan, the Committee determined that the total compensation of each of the NEOs should be increased from the low levels paid in 2010 for the performance in 2009. In reviewing the information about compensation for comparable positions at the comparison group, and considering the mix of compensation desired for the NEOs, the Committee determined that the salaries of Messrs. Czarnecki and Pinto should each be increased by \$150,000 (9%) in cash. The base salary of Mr. Wilmers was not changed because the Committee determined that the desired level of total compensation could be achieved by increasing his equity award; however a portion of his base salary was shifted from stock salary

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to cash salary so that his cash salary would better reflect his relative value to M&T. The Committee determined to increase Mr. Jones' base salary by \$225,000 (21%), with \$100,000 of the increase in cash and \$125,000 in stock salary, and to increase the base salary of Mr. Pearson by \$50,000 (5%) in cash.

Similar to 2010, the Committee determined that the shares of Common Stock received by each NEO as stock salary would be subject to restrictions on transfer such that each NEO may not sell, transfer or otherwise dispose of any Common Stock received as stock salary in 2011 until the earlier of (a) the date of that M&T repays the investment made under the TARP CPP, or (b) January 1, 2013. The number of shares of Common Stock to be paid to each NEO with respect to each biweekly pay period is to be determined by dividing the amount of stock salary with respect to that pay period by the reported closing price on the NYSE for a share of Common Stock on the pay date for such period. The NEOs may elect to pay the applicable taxes on the stock salary in cash or by having a portion of the stock salary withheld from each biweekly payment and receiving the net shares. The stock salary includes voting rights and the right to receive any dividends paid on the Common Stock if and when paid.

*2012 Salary Determinations.* The Committee made base salary determinations for 2012 for the NEOs in January 2012 and approved an adjustment to Mr. Wilmers' base salary in February 2012. Those determinations continued to be influenced by the TARP Compensation Standards, including the prohibition on paying cash incentives to the NEOs and the limitation on equity awards that could be made to the NEOs. Given M&T's strong performance in 2011, compared to both that of the comparison group and its business plan, the consummation of the acquisition of Wilmington Trust Corporation, and the continued lagging of the compensation of the NEOs compared to similar positions within the comparison group, the Committee determined that the total compensation of each of the NEOs should be increased. Considering the mix of compensation desired for the NEOs, the performance of each of the NEOs and information about relative compensation levels at the comparison group, the Committee determined that the salary of Mr. Wilmers should be increased by \$100,000 (6%) in cash, the salaries of Messrs. Czarnecki and Pinto should each be increased by \$100,000 (6%) in cash, the salary of Mr. Jones should be increased by \$125,000 (12%), \$50,000 in cash and \$75,000 in stock salary, and the salary of Mr. Pearson should be increased by \$50,000 (5%) in cash.

Similar to the prior years in which the NEOs have been subject to the TARP Compensation Standards, the Committee determined that the shares of Common Stock received by each NEO as stock salary would be subject to restrictions on transfer such that each NEO may not sell, transfer or otherwise dispose of any Common Stock received as stock salary in 2012 until the earlier of (a) the date of that M&T repays the investment made under the TARP CPP, or (b) January 1, 2014. The number of shares of Common Stock to be paid to each NEO with respect to each biweekly pay period is to be determined by dividing the amount of stock salary with respect to that pay period by the reported closing price on the NYSE for a share of Common Stock on the pay date for such period. The NEOs may elect to pay the applicable taxes on the stock salary in cash or by having a portion of the stock salary withheld from each biweekly payment and receiving the net shares. The stock salary includes voting rights and the right to receive any dividends paid on the Common Stock if and when dividends are paid on the Common Stock.

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**Incentive Compensation.** Consistent with the objective of linking compensation to M&T's performance for the benefit of the Company's shareholders, in determining annual cash incentive and equity awards, the Committee has historically assessed the following factors, without assigning any particular weighting to any single factor:

the Company's current and past performance compared to its business plans and other qualitative and quantitative factors;

the Company's performance compared to the comparison group;

the NEO's individual performance, as discussed below;

the NEO's past compensation;

the period during which a NEO has been in a key position with the Company;

with respect to equity awards, dilution and the market value of the Common Stock;

compensation information with respect to the comparison group; and

the Company's future prospects.

For awards made in 2011 with respect to 2010 performance, or in 2012 with respect to 2011 performance, the Committee's ability to make any incentive compensation awards was limited by the TARP Compensation Standards. As a result, the factors described above were considered by the Committee in determining the total compensation opportunity for each of the NEOs.

**Annual Cash Incentives.** Historically, the NEOs participated in the M&T Bank Corporation Annual Executive Incentive Plan, which plan provides for discretionary grants of cash awards to the NEOs as determined by the Committee. As discussed above, the TARP Compensation Standards prohibit the payment of these types of cash awards, except pursuant to certain commission-based plans and preexisting employment contracts, to the NEOs and next 20 most highly compensated employees. Since none of the NEOs receive commissions or have preexisting employment contracts, the Committee could not, and did not, make any discretionary grants of cash awards to the NEOs in 2010, 2011 or 2012 with respect to 2009, 2010 or 2011 performance.

**Equity-Based Incentives.** Also consistent with its philosophy of linking compensation to M&T's performance for the benefit of the Company's shareholders, M&T provides long-term incentive opportunities to its executive officers through discretionary grants of stock-based compensation under the M&T Bank Corporation 2009 Equity Incentive Compensation Plan. The Committee determines the dollar value of equity awards to be made to the NEOs at its meeting in January of each year. Following that meeting, the equity awards are then granted on the last business day of January. In making grants of equity awards, the Committee assesses the following factors over a three-year period or longer:

The performance of M&T relative to prior years; and

The performance of M&T for the immediately preceding year relative to its business plan and the comparison group.

*Stock Options.* Management and the Committee have historically believed that stock options are an effective long-term incentive because the holder can profit only if the value of M&T Common Stock increases. In addition, the Company has utilized incentive stock options that comply

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with Section 422 of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code ), to the maximum extent permitted. In making such awards in the past, the Committee concluded that the potential tax advantages available to the NEOs with incentive stock options increases the likelihood that a NEO will hold the stock received upon exercise of a stock option. Typically, stock options vest over a four-year period, with 10% vesting one year after the date of grant, an additional 20% vesting two years after the date of grant, an additional 30% vesting three years after the date of grant and the remaining 40% vesting four years after the date of grant.

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*Restricted Stock and Restricted Stock Units.* Management and the Committee believe that restricted stock and restricted stock units to be settled in stock also provide an effective long-term incentive because the value of the award can be further enhanced if the value of the Common Stock increases from the date of grant to the date restrictions lapse. The restrictions on awards of restricted stock or restricted stock units will lapse based on the same service-based vesting schedule used for stock options. The restricted stock will receive dividends if and when dividends are paid on the Common Stock and will have voting rights during the restricted period. The restricted stock units will receive dividend equivalent payments if and when dividends are paid on the Common Stock but they do not have voting rights during the restricted period. Beginning in 2009, for tax reasons, the Committee determined to award restricted stock units to be settled in stock as a substitute for awards of restricted stock to Company employees who are eligible for retirement under the Pension Plan.

As discussed above, the TARP Compensation Standards prohibit the award of any equity incentive compensation to the NEOs and the next 20 most highly compensated employees, unless the equity award meets the definition of long-term restricted stock set forth in the TARP Compensation Standards, which subjects such awards to limits on value and certain vesting and transferability restrictions. The value of awards of long-term restricted stock may not exceed one-third of the recipient's annual compensation for the preceding year, but for these purposes the full value of the award itself is included in the recipient's annual compensation. In effect, the TARP Compensation Standards allow a restricted stock award with a value equal to 50 percent of salary. Such awards must not vest earlier than two years from the date of grant, except in cases of death, disability or change in control of M&T. In addition, there are restrictions on the transferability of restricted shares, even if they have vested, until specified percentages of the TARP assistance have been repaid, except that restricted shares may become transferable to the extent necessary to pay taxes becoming due upon vesting.

*2011 Equity Awards.* The Committee granted equity awards in 2011 to the NEOs in January 2011 based on the assessment criteria discussed above and the limits on the value of long-term restricted stock that could be granted to the NEOs in 2011 under the TARP Compensation Standards. The Committee also assessed how the mix of cash base salary, annual stock salary and long-term restricted stock should be structured in order to provide a total compensation opportunity to each NEO in 2011 that reflected the strong performance of M&T relative to both its business plan in 2010 and to the comparison group, the strong performance of M&T relative to the comparison group from 2006 through 2010, and the need to provide appropriate levels of compensation to ensure the retention and continued service of the NEOs. The value of long-term restricted stock awarded to each of Messrs. Wilmers, Czarnecki, Pinto, Jones and Pearson was \$650,000, \$600,000, \$600,000, \$425,000 and \$500,000, respectively. These awards, in combination with other compensation earned for performance in 2010, resulted in aggregate total compensation for all of the NEOs for 2011 that was below the aggregate medians of the comparison group. In addition, the total compensation opportunity for each NEO in 2011, consisting of his respective cash base salary, annual stock salary and long-term restricted stock award, when compared to the low levels of compensation earned in 2010 for 2009 performance, resulted in increases of 14 percent, 15 percent, 15 percent, 25 percent, and 16 percent, respectively, for Messrs. Wilmers, Czarnecki, Pinto, Jones and Pearson. These long-term

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restricted stock awards were in the form of either restricted stock or restricted stock units to be settled in stock depending upon whether or not a NEO is eligible for retirement, and were granted on January 31, 2011, in accordance with M&T Bank Corporation's equity award policy. These restricted shares and restricted stock units will vest or be settled in stock, respectively, according to the following schedule: 30 percent on January 31, 2013; 30 percent on January 31, 2014; and the remaining 40 percent on January 31, 2015. These restricted shares or restricted stock units will accelerate and vest or be settled in stock upon the death or disability of a NEO, or upon a change in control of M&T, or upon the retirement of a NEO if such retirement occurs after January 31, 2013, and the vested or settled shares will be subject to restrictions on transfer until M&T repays all or a portion of the TARP CPP investment, consistent with the requirements for long-term restricted stock set forth in the TARP Compensation Standards. As permitted by the TARP Compensation Standards, tax withholding for such shares or units may be fulfilled by the withholding of shares or units. The restricted stock and restricted stock units will be entitled to the receipt of any dividends paid on the Common Stock or dividend equivalents, respectively; provided, however, that such amounts paid prior to January 31, 2013 will be held in a dividend book account until that date, at which point the funds will be paid to the NEO with interest.

*2012 Equity Awards.* The Committee granted equity awards to the NEOs in January 2012 and approved an adjustment to Mr. Wilmers' equity award in February 2012, based on the assessment criteria discussed above and the limits on the value of long-term restricted stock that could be granted to the NEOs under the TARP Compensation Standards. The Committee also assessed how the mix of cash base salary, annual stock salary and long-term restricted stock should be structured in order to provide a total compensation opportunity to each NEO in 2012 that reflected the strong performance of the Company relative to its business plan and the comparison group in 2011, the acquisition of Wilmington Trust Corporation in 2011, the strong performance of M&T relative to the comparison group over the course of the financial and economic difficulties experienced from 2006 through 2011, and the need to provide appropriate levels of compensation to ensure the retention and continued service of the NEOs. The aggregate value of long-term restricted stock awarded to each of Messrs. Wilmers, Czarnecki, Pinto, Jones and Pearson was \$750,000, \$650,000, \$650,000, \$500,000 and \$550,000, respectively. Based on information from the Committee's compensation consultant, it is expected that these awards, in combination with other compensation earned for performance in 2011, will continue to result in aggregate total compensation for all of the NEOs for 2012 that is below the aggregate medians of the comparison group while overall performance for 2011 was above the median, and for many measures, in the top quartile of the group. The total compensation opportunity for each NEO in 2012, consisting of his respective cash base salary, annual stock salary and long-term restricted stock award, when compared to the compensation earned in 2011 for performance in 2010, results in increases of 8 percent, 6 percent, 6 percent, 13 percent and 6 percent, respectively, for Messrs. Wilmers, Czarnecki, Pinto, Jones and Pearson. The long-term restricted stock awards were in the form of either restricted stock or restricted stock units to be settled in stock depending upon whether or not a NEO is eligible for retirement, and were granted on January 31, 2012, except for a portion of Mr. Wilmers' award, which was granted on February 29, 2012, in each instance in accordance with M&T Bank Corporation's equity award policy. The restricted shares and restricted stock units granted on January 31, 2012 will vest or be settled in stock, respectively, according to the following schedule: 30 percent on January 31, 2014; 30 percent on January 31, 2015; and the remaining



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40 percent on January 31, 2016. The restricted stock units awarded to Mr. Wilmers on February 29, 2012 will be settled in stock according to the following schedule: 30 percent on February 28, 2014; 30 percent on February 28, 2015; and the remaining 40 percent on February 29, 2016. All such restricted shares or restricted stock units will accelerate and vest or be settled in stock upon the death or disability of a NEO, or upon a change in control of M&T, or upon the retirement of a NEO if such retirement occurs after January 31, 2014 (February 28, 2014 with respect to the award made February 29, 2012 to Mr. Wilmers), and the vested or settled shares will be subject to restrictions on transfer until M&T repays all or a portion of the TARP CPP investment, consistent with the requirements for long-term restricted stock in the TARP Compensation Standards. As permitted by the TARP Compensation Standards, tax withholding for such shares or units may be fulfilled by the withholding of shares or units. The restricted stock and restricted stock units will be entitled to the receipt of any dividends paid on the Common Stock or dividend equivalents, respectively; provided, however, that such amounts paid prior to January 31, 2014 (February 28, 2014 with respect to the award made February 29, 2012 to Mr. Wilmers) will be held in a dividend book account until that date, at which point the funds will be paid to the NEO with interest.

**Summary of 2012 Executive Compensation Determinations.** The supplemental table below shows the mix of annual base salary, annual cash incentives and equity awards approved by the Committee for each of the NEOs in January and February 2012:

| Named Executive Officer | 2012 Salary          | Bonus Paid in 2012 for 2011 Performance | Grant Date Fair Value of Stock Awards in 2012 For 2011 Performance |
|-------------------------|----------------------|-----------------------------------------|--------------------------------------------------------------------|
| Robert G. Wilmers       | \$ 850,000 (Cash)    |                                         |                                                                    |
|                         | \$ 1,000,000 (Stock) | \$ 0                                    | \$ 750,107                                                         |
| René F. Jones           | \$ 600,000 (Cash)    |                                         |                                                                    |
|                         | \$ 600,000 (Stock)   | \$ 0                                    | \$ 500,050                                                         |
| Mark J. Czarnecki       | \$ 800,000 (Cash)    |                                         |                                                                    |
|                         | \$ 1,050,000 (Stock) | \$ 0                                    | \$ 650,040                                                         |
| Michael P. Pinto        | \$ 800,000 (Cash)    |                                         |                                                                    |
|                         | \$ 1,050,000 (Stock) | \$ 0                                    | \$ 650,040                                                         |
| Kevin J. Pearson        | \$ 600,000 (Cash)    |                                         |                                                                    |
|                         | \$ 550,000 (Stock)   | \$ 0                                    | \$ 550,047                                                         |

**Perquisites and Other Personal Benefits.** Generally, the Company provides limited perquisites designed to assist a NEO in being productive and which management and the Committee believe are consistent with our overall compensation program. Given the importance of developing business relationships to our success, our NEOs are reimbursed for certain initiation fees and dues they incur for club memberships deemed necessary for business purposes. In 2011, there were no perquisites that exceeded \$25,000 for any of the NEOs.

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**Retirement and Other Benefits.** The Company maintains two tax-qualified retirement plans for its employees, one a defined benefit plan and the other a defined contribution plan. Each of the NEOs participates in the defined benefit plan, except for Mr. Jones, who elected to have his benefit under the defined benefit plan frozen as of December 31, 2005, and to earn future benefits under the defined contribution plan. Mr. Jones made his election pursuant to a one-time election that was offered to all participants in the defined benefit plan in late 2005 to remain in the defined benefit plan and earn future benefits under a new reduced benefit formula or to retain the frozen benefit in the defined benefit plan and earn future benefits under a new defined contribution plan beginning January 1, 2006.

In addition, M&T maintains nonqualified defined benefit and defined contribution retirement plans to supplement retirement benefits for the NEOs, although these plans only provide benefits on compensation up to \$350,000. The nonqualified plans are not funded, except as benefits are actually paid to executive officers upon retirement. Additional information regarding these retirement plans and arrangements is provided in this Proxy Statement in the sections below entitled Pension Benefits and Nonqualified Deferred Compensation.

M&T does not believe it is appropriate to provide the NEOs with severance packages beyond what is provided to employees of M&T generally. Consequently, the NEOs have historically participated in the M&T Bank Corporation Severance Pay Plan (the Severance Pay Plan). As a result of the TARP Compensation Standards, no NEO is eligible to receive any benefits under the Severance Pay Plan for as long as any portion of the TARP CPP investment remains outstanding. At such time after M&T has repaid all of the TARP CPP investment and upon a Qualifying Event (defined in the plan as any permanent, involuntary termination of a participant's active employment as a result of a reduction in force, restructuring, outsourcing or elimination of position), a NEO would be entitled to benefits under the Severance Pay Plan.

Other than benefits that are generally available to employees, M&T does not maintain any individual severance or change-of-control arrangements. M&T's compensation plans do not contain payments or benefits to NEOs that are specifically triggered by a change of control, except that the Company's various stock-based compensation plans provide that, upon a change of control, all employees, including the NEOs, would become fully vested in any outstanding awards that were not already vested. M&T has elected to provide such acceleration because of a belief that the principal purpose of providing executive officers and other employees with equity incentives is to align their interests with those of M&T's shareholders and that this alignment should be enhanced, not weakened, in the context of a change of control. Accelerating the vesting of stock-based compensation upon a change of control allows employees the same opportunity as other shareholders to sell shares freely following the completion of the transaction and realize the economic benefits of such transaction, without forcing them to be exposed to the post-closing performance of the acquirer.

**Tax Matters.** Section 162(m) of the Internal Revenue Code generally denies a deduction to any publicly held corporation for compensation paid to its NEOs to the extent that any such individual's compensation exceeds \$1 million, subject to certain exceptions, including one for performance based compensation. Generally, the Committee seeks to maximize executive compensation deductions for federal income tax purposes. However, the TARP Compensation Standards provide that M&T may not deduct any compensation expense in excess of \$500,000 under Section 162(m) of the Internal Revenue Code, including performance based compensation. Accordingly, due to M&T's participation in the TARP CPP, Messrs. Wilmers, Jones, Czarnecki, Pinto and Pearson received compensation in 2011 of \$2,229,836; \$857,441; \$1,996,785; \$1,993,126 and \$974,963, respectively, which will be nondeductible under Section 162(m) of the Internal Revenue Code.

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### **NOMINATION, COMPENSATION AND GOVERNANCE COMMITTEE REPORT**

The Nomination, Compensation and Governance Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of SEC Regulation S-K with management and, based on such review and discussions, the Nomination, Compensation and Governance Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Nomination, Compensation and Governance Committee certifies that at least once every six months for the period beginning January 1, 2011, it has reviewed with M&T's senior risk officers (i) the SEO compensation plans and has made all reasonable efforts to ensure that these plans do not encourage SEOs to take unnecessary and excessive risks that threaten the value of M&T; (ii) the employee compensation plans and has made all reasonable efforts to limit any unnecessary risks these plans pose to M&T; and (iii) the employee compensation plans to eliminate any features of these plans that would encourage the manipulation of reported earnings of M&T to enhance the compensation of any employee. Based upon such review, the Nomination, Compensation and Governance Committee also determined that the compensation policies and practices for all employees do not create risks that are reasonably likely to have a material adverse effect on M&T.

### **Description of SEO and Employee Compensation Plans Required by §30.7(b) of the Interim Final Rule**

M&T formed the Compensation Plan Risk Review Committee, a management committee consisting of senior risk officers, to assist the Nomination, Compensation and Governance Committee in fulfilling its duties set forth in items (i) through (iii) above. The Compensation Plan Risk Review Committee undertook a review of all compensation plans and prioritized such plans with respect to the level of risk associated with each plan. The assessment of risk encompassed a review of business processes, the current economic environment and the design and administration of each plan. Criteria used by the Compensation Plan Risk Review Committee to quantify the risk included, among others, the percentage of the employee's total compensation provided by the plan, the covered employee's potential ability to manipulate earnings, if any, the covered employee's potential impact on reported earnings and the covered employee's ability to approve a proposed transaction or make another business decision that could have a material impact on M&T.

As a general matter, the Compensation Plan Risk Review Committee determined that broad-based plans of general applicability that provide for welfare and retirement benefits on a non-discriminatory basis do not encourage unnecessary and excessive risks that threaten the value of M&T or create an incentive or opportunity for an employee to manipulate the reported earnings of M&T, and the Nomination, Compensation and Governance Committee agreed with this assessment.

### **SEO Compensation Plans**

*M&T Bank Corporation Executive Annual Incentive Plan.* The discretionary nature of this plan allows awards to be based on a comprehensive assessment of performance, including risk outcomes over the long term. Therefore, the Nomination, Compensation and Governance Committee agreed with the Compensation Plan Risk Review Committee's determination that this plan does not encourage unnecessary or excessive risk-taking by the SEOs that threatens the value of M&T or the manipulation of reported earnings.

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*M&T Bank Corporation 2009 Equity Incentive Compensation Plan.* Due to the fact that this plan awards equity that vests over a four-year period and derives value based on the long-term performance of M&T, the Nomination, Compensation and Governance Committee, in consultation with the Compensation Plan Risk Review Committee, determined that this plan does not encourage unnecessary or excessive risk-taking by the SEOs that threatens the value of M&T or the manipulation of reported earnings.

*Various Retirement Programs.* M&T offers various retirement programs to its SEOs, generally. Benefits under the defined benefit plans are not based on the performance of M&T, while benefits under the defined contribution plans are based on the performance of M&T only to the extent the participant elects to invest in Common Stock. Therefore, the Nomination, Compensation and Governance Committee, in consultation with the Compensation Plan Risk Review Committee, determined that these plans do not encourage unnecessary or excessive risk-taking by the Senior Executive Officers that threatens the value of M&T or the manipulation of reported earnings.

### **Employee Compensation Plans**

In addition to the compensation plans for SEOs discussed above, M&T maintains various other employee compensation plans, some of which are discretionary in nature as to the amounts to be paid thereunder, some of which the amounts to be paid thereunder are based on a formula, some of which meet the requirements for commission compensation under the TARP Compensation Standards and others of which the amounts to be paid thereunder may be determined based on a combination of these approaches. All of these plans were reviewed by the Compensation Plan Risk Review Committee as described above. As a result of the review, no plan was identified as having a high degree of risk. As determined by the Compensation Plan Risk Review Committee, any plans that were considered to have features that could pose an opportunity for risk of loss that could impact earnings by \$25 million or more, or the manipulation of reported earnings, were subject to additional review to assess whether or not any additional measures were required to monitor or contain risk. With respect to some plans, additional risk management processes and administrative controls, such as having M&T's Enterprise-Wide Risk Management Committee periodically review the volume and nature of new business, were put in place to more effectively manage the potential risks posed due to the businesses in which these plans are operative. For the remaining plans, it was determined that the risk management oversight and the internal controls embedded in each line of business, the discretionary nature of many of the compensation plans or the adjustments for risk included in the method used to determine the amounts to be paid thereunder, or a combination of these approaches, are key factors that serve to ensure that the compensation plans do not encourage undesirable risk-taking activities or the manipulation of reported earnings.

This report was adopted on February 22, 2012 by the Nomination, Compensation and Governance Committee of the Board of Directors:

Jorge G. Pereira, Chairman

Brent D. Baird

Robert T. Brady

Michael D. Buckley

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**Summary Compensation Table.** The following table contains information concerning the compensation of M&T Bank Corporation's NEOs in the fiscal years ended December 31, 2011, 2010, and 2009.

**2011 Summary Compensation Table**

| Name and Principal<br>Position                                                                                                                                                                                | Year | Salary<br>\$(1) | Bonus<br>(\$) | Stock<br>Awards<br>\$(2) | Option<br>Award<br>\$(2) | Non-<br>Equity<br>Incentive<br>Plan<br>Compensation<br>\$(3) | Change in<br>Pension<br>Value<br>and Non-<br>qualified<br>Deferred<br>Compensation<br>Earnings<br>\$(3) | All Other<br>Compensation<br>\$(4) | Total<br>(\$) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------|---------------|--------------------------|--------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------------|---------------|
|                                                                                                                                                                                                               |      |                 |               |                          |                          |                                                              |                                                                                                         |                                    |               |
| <b>Robert G. Wilmers</b><br>Chairman of the Board and<br>Chief Executive Officer of<br>M&T Bank Corporation and<br>M&T Bank                                                                                   | 2011 | 1,750,000       | 0             | 650,081                  | 0                        | 0                                                            | 368,876                                                                                                 | 170,957(5)                         | 2,939,914     |
|                                                                                                                                                                                                               | 2010 | 1,750,000       | 0             | 350,018                  | 0                        | 0                                                            | 243,550                                                                                                 | 204,022                            | 2,547,590     |
|                                                                                                                                                                                                               | 2009 | 675,000         | 0             | 2,000,013                | 0                        | 0                                                            | 196,868                                                                                                 | 173,163                            | 3,045,044     |
| <b>René F. Jones</b><br>Executive Vice President<br>and Chief Financial Officer<br>of M&T Bank Corporation<br>and M&T Bank                                                                                    | 2011 | 1,075,000       | 0             | 425,000                  | 0                        | 0                                                            | 40,675                                                                                                  | 82,045(6)                          | 1,622,720     |
|                                                                                                                                                                                                               | 2010 | 850,000         | 0             | 350,018                  | 0                        | 0                                                            | 18,600                                                                                                  | 88,187                             | 1,306,805     |
|                                                                                                                                                                                                               | 2009 | 311,538         | 0             | 600,031                  | 0                        | 0                                                            | 10,737                                                                                                  | 79,750                             | 1,002,056     |
| <b>Mark J. Czarnecki</b><br>President of M&T Bank<br>Corporation and M&T Bank                                                                                                                                 | 2011 | 1,750,000       | 0             | 600,015                  | 0                        | 0                                                            | 232,061                                                                                                 | 126,948(7)                         | 2,709,024     |
|                                                                                                                                                                                                               | 2010 | 1,600,000       | 0             | 450,023                  | 0                        | 0                                                            | 126,530                                                                                                 | 139,692                            | 2,316,245     |
|                                                                                                                                                                                                               | 2009 | 571,154         | 0             | 1,500,019                | 0                        | 0                                                            | 85,562                                                                                                  | 122,994                            | 2,279,729     |
| <b>Michael P. Pinto</b><br>Vice Chairman of the Board<br>of M&T Bank Corporation;<br>Vice Chairman of the Board<br>and Chairman and Chief<br>Executive Officer of the<br>Mid-Atlantic Division of<br>M&T Bank | 2011 | 1,750,000       | 0             | 600,015                  | 0                        | 0                                                            | 202,701                                                                                                 | 135,227(8)                         | 2,687,943     |
|                                                                                                                                                                                                               | 2010 | 1,600,000       | 0             | 450,023                  | 0                        | 0                                                            | 111,040                                                                                                 | 152,731                            | 2,313,794     |
|                                                                                                                                                                                                               | 2009 | 571,154         | 0             | 1,500,019                | 0                        | 0                                                            | 75,428                                                                                                  | 158,989                            | 2,305,590     |
| <b>Kevin J. Pearson</b><br>Executive Vice President of<br>M&T Bank (Corporation<br>and M&T Bank                                                                                                               | 2011 | 1,100,000       | 0             | 500,056                  | 0                        | 0                                                            | 143,587                                                                                                 | 76,006(9)                          | 1,819,649     |
|                                                                                                                                                                                                               | 2010 | 1,050,000       | 0             | 330,031                  | 0                        | 0                                                            | 73,270                                                                                                  | 85,091                             | 1,538,392     |
|                                                                                                                                                                                                               | 2009 | 379,039         | 0             | 800,029                  | 0                        | 0                                                            | 47,333                                                                                                  | 74,864                             | 1,301,265     |

- (1) Effective January 3, 2010, the Nomination, Compensation and Governance Committee of M&T Bank Corporation determined to begin paying certain of its executive officers, including each of the NEOs, a portion of their base salary in Common Stock. This compensation arrangement is intended to comply with the TARP Interim Final Rule. These stock salary awards are included in the Salary column above and were awarded in the following amounts for 2011: Mr. Wilmers - \$1,000,000; Mr. Jones - \$525,000; Mr. Czarnecki - \$1,050,000; Mr. Pinto - \$1,050,000; and Mr. Pearson - \$550,000.

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- (2) The amounts represent the grant date fair market value of the awards determined on the basis of the assumptions and methodology set forth in Note 11 to the financial statements of M&T Bank Corporation in its Annual Report on Form 10-K filed with the SEC on February 23, 2012.
- (3) The assumptions used to calculate the present value of accumulated benefits are the same as those used for financial statement disclosure purposes, except that no pre-retirement decrements are assumed. The present value of accrued benefits as of December 31, 2011 is calculated assuming the executive commences his accrued benefit earned through December 31, 2011 at normal retirement age. The mortality assumption beginning at normal retirement age is based on the RP-2000 combined healthy mortality table with a white-collar adjustment. The discount rate assumption is 5.75% for the December 31, 2009 calculations, 5.25% for the December 31, 2010 calculations and 4.25% for the December 31, 2011 calculations. Normal retirement age is 65 for all participants except for Mr. Wilmers. Mr. Wilmers is past age 65, so his current age is assumed. It is assumed that the participants will elect the single life annuity form of benefit.
- (4) Includes for each NEO: (i) a \$11,025 contribution in 2011 to the Retirement Savings Plan, a qualified defined contribution plan; and (ii) a \$4,725 credit under the M&T Bank Corporation Supplemental Retirement Savings Plan (the Supplemental Retirement Savings Plan ). Also includes, for Mr. Jones: (i) a \$10,413 contribution in 2011 to the Retirement Accumulation Account portion of the Retirement Savings Plan, a qualified defined contribution plan; and (ii) a \$4,463 credit under the Supplemental Retirement Accumulation Account portion of the Supplemental Retirement Savings Plan. Includes the following insurance premiums paid in 2011 in respect of term life insurance for the benefit of each of the following NEOs: Mr. Pearson - \$2,622; Mr. Jones - \$1,710; Mr. Czarnecki - \$4,902; Mr. Pinto - \$4,902; and Mr. Wilmers - \$6,798. Also includes dividends and dividend equivalents on unvested restricted stock and restricted stock units for 2011, 2010 and 2009 as follows: 2011 Mr. Wilmers - \$108,305; Mr. Jones - \$32,502; Mr. Czarnecki - \$81,178; Mr. Pinto - \$81,179; and Mr. Pearson - \$43,292; 2010 Mr. Wilmers - \$133,129; Mr. Jones - \$39,941; Mr. Czarnecki - \$99,847; Mr. Pinto - \$99,847; and Mr. Pearson - \$53,253; 2009 Mr. Wilmers - \$107,942; Mr. Jones - \$32,384; Mr. Czarnecki - \$80,957; Mr. Pinto - \$80,957; and Mr. Pearson - \$43,178.
- (5) Perquisites for Mr. Wilmers included club membership dues and expenses, parking, meals and expenses associated with an apartment in Buffalo, New York. No perquisite exceeded the greater of \$25,000 or 10% of the total perquisites provided to Mr. Wilmers.
- (6) Perquisites for Mr. Jones included club membership dues and expenses, tax preparation expenses, parking and meals. No perquisite exceeded the greater of \$25,000 or 10% of the total perquisites provided to Mr. Jones.
- (7) Perquisites for Mr. Czarnecki included club membership dues and expenses, tax preparation expenses, parking and meals. No perquisite exceeded the greater of \$25,000 or 10% of the total perquisites provided to Mr. Czarnecki.
- (8) Perquisites for Mr. Pinto included club membership dues and expenses, tax preparation expenses, parking and meals. No perquisite exceeded the greater of \$25,000 or 10% of the total perquisites provided to Mr. Pinto.
- (9) Perquisites for Mr. Pearson included tax preparation, parking and meals. No perquisite exceeded the greater of \$25,000 or 10% of the total perquisites provided to Mr. Pearson.

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**Grants of Plan-Based Awards.** The following table reflects the terms of compensation plan-based awards granted to the NEOs in 2011.

**2011 Grants of Plan-Based Awards**

|                   |            | Estimated Future<br>Payouts<br>Under Non-Equity<br>Incentive<br>Plan Awards |                |                 | Estimated Future<br>Payouts<br>Under Equity<br>Incentive Plan<br>Awards |               |                | All<br>Other<br>Stock<br>Awards:<br>Number of<br>Shares<br>of<br>Stock or<br>Units<br>(#) | All<br>Other<br>Option<br>Awards:<br>Number<br>of<br>Securities<br>Underlying<br>Options<br>(#) | Exercise<br>or<br>Base<br>Price<br>of<br>Option<br>Awards<br>(\$/Sh) | Grant<br>Date Fair<br>Value of<br>Stock and<br>Option<br>Awards<br>\$(1)(2) |
|-------------------|------------|-----------------------------------------------------------------------------|----------------|-----------------|-------------------------------------------------------------------------|---------------|----------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------|
|                   | Grant Date | Threshold<br>(\$)                                                           | Target<br>(\$) | Maximum<br>(\$) | Threshold<br>(#)                                                        | Target<br>(#) | Maximum<br>(#) |                                                                                           |                                                                                                 |                                                                      |                                                                             |
| Robert G. Wilmers | 1/31/2011  | 0                                                                           | 0              | 0               | 0                                                                       | 0             | 0              | 7,518                                                                                     | 0                                                                                               |                                                                      | 650,081                                                                     |
| René F. Jones     | 1/31/2011  | 0                                                                           | 0              | 0               | 0                                                                       | 0             | 0              | 4,915                                                                                     | 0                                                                                               |                                                                      | 425,000                                                                     |
| Mark J. Czarnecki | 1/31/2011  | 0                                                                           | 0              | 0               | 0                                                                       | 0             | 0              | 6,939                                                                                     | 0                                                                                               |                                                                      | 600,015                                                                     |
| Michael P. Pinto  | 1/31/2011  | 0                                                                           | 0              | 0               | 0                                                                       | 0             | 0              | 6,939                                                                                     | 0                                                                                               |                                                                      | 600,015                                                                     |
| Kevin J. Pearson  | 1/31/2011  | 0                                                                           | 0              | 0               | 0                                                                       | 0             | 0              | 5,783                                                                                     | 0                                                                                               |                                                                      | 500,056                                                                     |

- (1) The valuation of stock awards is based on the assumptions and methodology set forth in Note 11 to the financial statements of M&T Bank Corporation in its Annual Report on Form 10-K filed with the SEC on February 23, 2012.
- (2) Vesting of the stock awards granted to the NEOs in 2011 occurs on a graduated basis with 30% vesting on January 31, 2013, an additional 30% vesting on January 31, 2014 and the remaining 40% vesting on January 31, 2015. The M&T Bank Corporation 2009 Equity Incentive Compensation Plan allows for accelerated vesting in cases of death, disability, retirement (after January 31, 2013) or a change in control.

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**Outstanding Equity Awards at Fiscal Year-End.** The following table reflects the number and terms of stock option awards and stock awards outstanding as of December 31, 2011 for the NEOs.

**Outstanding Equity Awards at 2011 Fiscal Year-End**

| Name              | Option Awards                                                       |                                                             |                                                                                           |                            |                        | Stock Awards                                                   |                                                                    |                                                                                                          |                                                                                                                          |
|-------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------|------------------------|----------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
|                   | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) (1) | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (2) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#)(2) | Market Value of Shares or Units of Stock That Have Not Vested (\$) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (\$) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) |
| Robert G. Wilmers | 90,000                                                              | 0                                                           | 0                                                                                         | 75.80                      | 1/15/2012              | 48,245                                                         | 3,683,023                                                          | 0                                                                                                        | 0                                                                                                                        |
| René F. Jones     | 15,000                                                              | 0                                                           | 0                                                                                         | 75.80                      | 1/15/2012              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 15,000                                                              | 0                                                           | 0                                                                                         | 80.23                      | 1/21/2013              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 14,987                                                              | 0                                                           | 0                                                                                         | 91.75                      | 1/20/2014              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 10,766                                                              | 0                                                           | 0                                                                                         | 101.80                     | 1/18/2015              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 13,168                                                              | 0                                                           | 0                                                                                         | 108.93                     | 1/17/2016              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 15,740                                                              | 0                                                           | 0                                                                                         | 121.31                     | 1/31/2017              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 17,035                                                              | 11,357                                                      | 0                                                                                         | 91.28                      | 1/31/2018              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   |                                                                     |                                                             |                                                                                           |                            |                        | 20,456                                                         | 1,561,611                                                          | 0                                                                                                        | 0                                                                                                                        |
| Mark J. Czarnecki | 45,000                                                              | 0                                                           | 0                                                                                         | 80.23                      | 1/21/2013              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 44,960                                                              | 0                                                           | 0                                                                                         | 91.75                      | 1/20/2014              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 36,225                                                              | 0                                                           | 0                                                                                         | 108.93                     | 1/17/2016              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 52,466                                                              | 0                                                           | 0                                                                                         | 121.31                     | 1/31/2017              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 56,782                                                              | 37,856                                                      | 0                                                                                         | 91.28                      | 1/31/2018              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   |                                                                     |                                                             |                                                                                           |                            |                        | 40,027                                                         | 3,055,661                                                          | 0                                                                                                        | 0                                                                                                                        |
| Michael P. Pinto  | 65,000                                                              | 0                                                           | 0                                                                                         | 75.80                      | 1/15/2012              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 65,000                                                              | 0                                                           | 0                                                                                         | 80.23                      | 1/21/2013              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 64,943                                                              | 0                                                           | 0                                                                                         | 91.75                      | 1/20/2014              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 52,314                                                              | 0                                                           | 0                                                                                         | 108.93                     | 1/17/2016              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 52,466                                                              | 0                                                           | 0                                                                                         | 121.31                     | 1/31/2017              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 56,782                                                              | 37,856                                                      | 0                                                                                         | 91.28                      | 1/31/2018              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   |                                                                     |                                                             |                                                                                           |                            |                        | 40,027                                                         | 3,055,661                                                          | 0                                                                                                        | 0                                                                                                                        |
| Kevin J. Pearson  | 15,000                                                              | 0                                                           | 0                                                                                         | 75.80                      | 1/15/2012              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 20,000                                                              | 0                                                           | 0                                                                                         | 80.23                      | 1/21/2013              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 22,968                                                              | 0                                                           | 0                                                                                         | 91.75                      | 1/20/2014              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 16,921                                                              | 0                                                           | 0                                                                                         | 101.80                     | 1/18/2015              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 21,353                                                              | 0                                                           | 0                                                                                         | 108.93                     | 1/17/2016              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 27,982                                                              | 0                                                           | 0                                                                                         | 121.31                     | 1/31/2017              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   | 30,284                                                              | 20,190                                                      | 0                                                                                         | 91.28                      | 1/31/2018              |                                                                |                                                                    |                                                                                                          |                                                                                                                          |
|                   |                                                                     |                                                             |                                                                                           |                            |                        | 24,651                                                         | 1,881,857                                                          | 0                                                                                                        | 0                                                                                                                        |



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- (1) The unexercisable stock options became 100% vested on January 31, 2012 and have an expiration date of January 31, 2018.

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- (2) Vesting of the stock awards granted to the NEOs in 2009 occurs on a graduated basis with 10% vesting on January 31, 2010, an additional 20% vesting on January 31, 2011, an additional 30% vesting on January 31, 2012 and the remaining 40% vesting on January 31, 2013. The M&T Bank Corporation 2005 Incentive Compensation Plan allows for accelerated vesting in cases of death, disability, retirement or a change in control. Vesting of the stock awards granted to the NEOs in 2010 occurs on a graduated basis with 30% vesting on January 29, 2012, an additional 30% vesting on January 29, 2013 and the remaining 40% vesting on January 29, 2014. The M&T Bank Corporation 2009 Equity Incentive Compensation Plan allows for accelerated vesting in cases of death, disability, retirement (after January 31, 2012) or a change in control. Also see footnote (2) to the table set forth under the caption 2011 Grants of Plan-Based Awards for the vesting schedule of the stock awards granted to the NEOs in 2011.

**Options Exercised and Stock Vested.** The following table sets forth the number of stock option awards exercised and the value realized upon exercise during 2011 for the NEOs, as well as the number of stock awards vested and the value realized upon vesting.

**2011 Options Exercised and Stock Vested**

| Name              | Option Awards                             |                                    | Stock Awards                             |                                |
|-------------------|-------------------------------------------|------------------------------------|------------------------------------------|--------------------------------|
|                   | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$)(1) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) |
| Robert G. Wilmers | 100,000                                   | 2,051,070                          | 10,280                                   | 887,678                        |
| René F. Jones     | 0                                         | 0                                  | 3,084                                    | 266,303                        |
| Mark J. Czarnecki | 55,146                                    | 848,038                            | 7,710                                    | 665,758                        |
| Michael P. Pinto  | 38,480                                    | 846,441                            | 7,710                                    | 665,758                        |
| Kevin J. Pearson  | 0                                         | 0                                  | 4,112                                    | 355,071                        |

- (1) Based upon the difference between the closing price of the Common Stock on the NYSE on the date or dates of exercise and the exercise price or prices for the stock options.

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**Pension Benefits.** The following table sets forth the present value of the accumulated pension benefits for the NEOs.

**2011 Pension Benefits (1)**

| Name              | Plan Name                        | Number<br>of<br>Years<br>Credited<br>Service<br>(#)(3) | Present<br>Value of<br>Accumulated<br>Benefit<br>(\$) | Payments<br>during<br>Last<br>Fiscal<br>Year<br>(\$) |
|-------------------|----------------------------------|--------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------|
| Robert G. Wilmers | Qualified Pension Plan (2)       | 28                                                     | 2,004,064                                             | 0                                                    |
|                   | Supplemental Pension Plan (2)(4) | 28                                                     | 362,960                                               | 0                                                    |
| René F. Jones     | Qualified Pension Plan (2)       | 13                                                     | 151,145                                               | 0                                                    |
| Mark J. Czarnecki | Qualified Pension Plan (2)       | 31                                                     | 801,683                                               | 0                                                    |
|                   | Supplemental Pension Plan (2)(4) | 31                                                     | 184,766                                               | 0                                                    |
| Michael P. Pinto  | Qualified Pension Plan (2)       | 26                                                     | 666,108                                               | 0                                                    |
|                   | Supplemental Pension Plan (2)(4) | 26                                                     | 172,624                                               | 0                                                    |
| Kevin J. Pearson  | Qualified Pension Plan (2)       | 22                                                     | 416,991                                               | 0                                                    |
|                   | Supplemental Pension Plan (2)(4) | 22                                                     | 73,291                                                | 0                                                    |

- (1) The assumptions used to calculate the present value of accumulated benefits are the same as those used for financial reporting purposes as of December 31, 2011, assuming that all NEOs continue to work until their normal retirement age, or their current age, if later, and no pre-retirement decrements are assumed. The present value of accrued benefits as of December 31, 2011 is calculated assuming the executive commences his accrued benefit earned through December 31, 2011 at normal retirement age, or his current age, if earlier. For the December 31, 2011 calculation, the mortality assumption beginning at normal retirement age is based on the RP-2000 combined healthy mortality table and the discount rate assumption is 4.25%. Normal retirement age is assumed to be age 65 for purposes of the Qualified Pension Plan and the Supplemental Pension Plan for the NEOs except for Mr. Wilmers. Mr. Wilmers' normal retirement age is considered to be age 77, his current age.
- (2) The Qualified Pension Plan provides tax-qualified pension benefits for a broad base of M&T Bank Corporation's employees. Effective January 1, 2006, the formula used to calculate benefits under the Qualified Pension Plan and the Supplemental Pension Plan was modified with respect to benefits earned after 2005. Benefits accrued under the prior formula as of December 31, 2005 were frozen and all Qualified Pension Plan participants, including each NEO, were given a one-time election to remain in the Qualified Pension Plan and earn future benefits under a new reduced pension benefit formula, or to retain the frozen benefit in the Qualified Pension Plan and earn future benefits under a new defined contribution program, the Retirement Accumulation Account (sometimes referred to as the Qualified RAA), in which qualifying participants are credited a percentage of total pay based on length of service. Under the current formula, each participant's retirement benefit equals the sum of (a) the participant's accrued benefit as of December 31, 2005 and (b) for each year of credited service earned after December 31, 2005, the sum of (i) 1% of compensation for the plan year plus (ii) 0.35% of compensation for the plan year in excess of 50% of that year's Social Security wage base. Messrs. Czarnecki, Pinto, Pearson and Wilmers elected to remain in the Qualified Pension Plan for periods on and after January 1, 2006. Mr. Jones elected to discontinue his future participation in the Qualified Pension Plan and Supplemental Pension Plan, choosing instead to participate in the Qualified RAA effective January 1, 2006, but has an accrued benefit under the Qualified Pension Plan as of December 31, 2005, but has ceased to earn any benefit accrual service and any further benefit under the Qualified Pension Plan as of January 1, 2006.

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- (3) The years of credited service for all of the NEOs are based only on their service while eligible for participation in the Qualified Pension Plan or the prior pension plan of an acquired bank. Generally, a participant must be paid for at least 1,000 hours of work during a plan year to be credited with a year of service for purposes of the Qualified Pension Plan.
- (4) As described in footnote 2 above, effective January 1, 2006, the formula used to calculate benefits under the Qualified Pension Plan and the Supplemental Pension Plan was modified with respect to benefits earned after 2005, and participants were given the opportunity to elect whether to continue participation in the Qualified Pension Plan and the Supplemental Pension Plan. Of the NEOs, Messrs. Czarnecki, Pinto, Pearson and Wilmers elected to continue to participate in the revised Qualified Pension Plan and, as such, they continue to be participants in the Supplemental Pension Plan. Mr. Jones elected to discontinue his future participation in the Qualified Pension Plan and Supplemental Pension Plan, choosing instead to participate in the Qualified RAA effective January 1, 2006. M&T Bank Corporation maintains a defined contribution nonqualified Retirement Accumulation Account that is designed to provide participants with contributions that cannot be provided under the qualified Retirement Accumulation Account because of applicable federal income tax limits. As under the Supplemental Pension Plan, creditable compensation under the Supplemental RAA is also limited to \$350,000. Mr. Jones participated in the Supplemental RAA in 2011 and was credited with a contribution for 2011 as reported below under the discussion of 2011 Nonqualified Deferred Compensation Plans.

**Explanation of Pension Benefits Table.** The Pension Benefits table indicates, for each of the Qualified Pension Plan and the Supplemental Pension Plan, the NEO's number of years of credited service, present value of accumulated benefit and any payments made during the year ended December 31, 2011.

The amounts indicated in the column entitled "Present Value of Accumulated Benefit" represent the lump-sum value as of December 31, 2011 of the annual benefit that was earned by the NEOs as of December 31, 2011, assuming payment begins at each executive's normal retirement age, or their current age, if later. The normal retirement age is defined as age 65 in the Qualified Pension Plan and the Supplemental Pension Plan. Certain assumptions were used to determine the present value of accumulated benefits payable at normal retirement age. Those assumptions are described in the footnote to the Pension Benefits table. Certain material terms of each of the Qualified Pension Plan and the Supplemental Pension Plan are summarized in the footnotes to the Pension Benefits table and in the narrative below.

**Qualified Pension Plan.** Benefits under the Qualified Pension Plan are paid over the lifetime of the NEO or the lifetimes of the NEO and a beneficiary, as elected by the NEO. If the NEO is married on the date payments are to begin under the Qualified Pension Plan, payment will be in the form of a joint and 50% survivor annuity with the spouse as beneficiary unless the NEO elects another form of payment with the consent of the spouse. None of the NEOs are eligible to elect to receive the benefit due under the Qualified Pension Plan in the form of a one-time lump sum payment. If benefits are paid in a form in which a benefit is to be paid to a beneficiary after the death of the NEO, benefits are reduced from the amount payable as a lifetime benefit solely to the NEO in accordance with the actuarial factors that apply to all participants in the Qualified Pension Plan. A participant's benefit under the Qualified Pension Plan is generally payable as an annuity with monthly benefit payments unless the present value of the normal retirement benefit is less than \$5,000. Benefits under the Qualified Pension Plan are funded by an irrevocable, tax-exempt trust. The Qualified Pension Plan benefits of all participants, including those benefits of NEOs, are payable from the assets held by the tax-exempt trust.

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Creditable compensation under the Qualified Pension Plan generally includes the compensation reported on Form W-2 in the box for wages, tips and other compensation plus pre-tax salary reduction contributions under the Retirement Savings Plan and the M&T Bank Corporation Flexible Benefits Plan. In calculating a participant's benefit, annual compensation in excess of a limit set annually by the Secretary of the Treasury may not be considered.

A participant is eligible for early retirement under the Qualified Pension Plan if the participant retires before normal retirement age but after attaining age 55 and completing 10 years of service. An early retirement benefit is reduced 4% per year for each year that the benefit commences prior to normal retirement age. At December 31, 2011, Messrs. Jones and Pearson were not eligible for early retirement.

Benefits under the Qualified Pension Plan are 100% vested after an employee has completed at least five years of service, and each NEO is 100% vested in his benefits in the Qualified Pension Plan.

**Supplemental Pension Plan.** The Supplemental Pension Plan provides a benefit that is equal to the difference between the pension benefit that would be provided under the Qualified Pension Plan if that plan were not subject to certain limits imposed by the Internal Revenue Code, and the benefit actually provided under the Qualified Pension Plan. Creditable compensation that may be considered under the Supplemental Pension Plan formula is limited to \$350,000.

Generally, benefits under the Supplemental Pension Plan are paid over the lifetime of the NEO or the lifetimes of the NEO and a beneficiary, as elected by the NEO. The Supplemental Pension Plan does allow a NEO to elect to receive the benefit due under the plan in the form of a one-time lump sum payment. If benefits are paid as a lump sum payment, benefits are adjusted from the amount payable as a lifetime benefit solely to the NEO in accordance with the actuarial factors that apply to all participants in the Qualified Pension Plan.

The pension benefit under the Supplemental Pension Plan is reduced in the same manner as under the Qualified Pension Plan if it begins to be paid before normal retirement age and continues to accrue in the same manner as under the Qualified Pension Plan if it begins to be paid after the normal retirement age.

Service is determined under the Supplemental Pension Plan in the same manner as under the Qualified Pension Plan, as described above. The vesting schedule in the Supplemental Pension Plan is the same as in the Qualified Pension Plan and all of the NEOs are 100% vested in their benefits in the Supplemental Pension Plan.

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**Nonqualified Deferred Compensation.** The following table sets forth contributions, earnings and year-end balances for 2011 with respect to nonqualified deferred compensation plans for the NEOs.

**2011 Nonqualified Deferred Compensation**

| Name              | Plan Name           | Executive                        | Registrant                       | Aggregate Earnings in Last FY (\$)(3) | Aggregate Withdrawals /Distributions (\$) | Aggregate Balance at Last FYE (\$)(4) |
|-------------------|---------------------|----------------------------------|----------------------------------|---------------------------------------|-------------------------------------------|---------------------------------------|
|                   |                     | Contributions in Last FY (\$)(1) | Contributions in Last FY (\$)(2) |                                       |                                           |                                       |
| Robert G. Wilmers | Supplemental 401(k) | 10,500                           | 4,725                            | (36,671)                              | 0                                         | 376,545                               |
| René F. Jones     | Supplemental 401(k) | 6,300                            | 4,725                            | (8,264)                               | 0                                         | 83,691                                |
|                   | Supplemental RAA    | 0                                | 4,463                            | (621)                                 | 0                                         | 24,164                                |
| Mark J. Czarnecki | Supplemental 401(k) | 18,500                           | 4,725                            | 1,079                                 | 0                                         | 175,559                               |
| Michael P. Pinto  | Supplemental 401(k) | 6,300                            | 4,725                            | (3,294)                               | 0                                         | 165,302                               |
|                   | Deferred Bonus Plan | 0                                | 0                                | (26,931)                              | 99,938                                    | 371,305                               |
| Kevin J. Pearson  | Supplemental 401(k) | 6,300                            | 4,725                            | (7,804)                               | 0                                         | 79,148                                |

- (1) The Supplemental 401(k) contributions were based on the NEOs' deferral elections and the salaries shown in the Summary Compensation Table. The salaries in the Summary Compensation Table include these contributions.
- (2) This column represents M&T Bank Corporation's matching contributions attributable to contributions made to the Supplemental 401(k) during 2011 by the NEOs and contributions by M&T Bank Corporation to the Supplemental RAA attributable to 2011 based on compensation earned and service performed during the year. However, these contributions were made after December 31, 2011 and are not reflected in the aggregate year-end balances. These values are also reflected in the All Other Compensation column of the Summary Compensation Table.
- (3) This column reflects earnings or losses on plan balances in 2011. Earnings may increase or decrease depending on the performance of the elected hypothetical investment options. Earnings on these plans are not above-market and thus are not reported in the Summary Compensation Table. Plan balances may be hypothetically invested in various mutual funds and Common Stock as described below. Investment returns on those funds and Common Stock ranged from -17.49% to 7.87% for the year ended December 31, 2011.
- (4) This column represents the year-end balances of the NEOs' nonqualified deferred compensation accounts. These balances include NEOs and M&T Bank Corporation's contributions that were included in the Summary Compensation Tables in previous years. Amounts in this column include earnings that were not previously reported in the Summary Compensation Table because they were not above-market earnings.

**Overview of Nonqualified Deferred Compensation Plans.** M&T Bank Corporation maintains two nonqualified deferred compensation plans: the Supplemental Retirement Savings Plan and the M&T Bank Corporation Deferred Bonus Plan (the Deferred Bonus Plan), which is now frozen as described in more detail below.

The Supplemental Retirement Savings Plan mirrors the tax-qualified, defined contribution Retirement Savings Plan maintained by M&T Bank Corporation in that it consists of two parts: a Supplemental 401(k) Plan and a Supplemental Retirement Accumulation Account Plan. The tax-qualified Retirement Savings Plan provides benefits under both portions up to the limit set by the Internal Revenue Code on compensation

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that can be recognized under a tax-qualified plan. The Supplemental Retirement Savings Plan provides unfunded, non-qualified benefits to select management based on compensation in excess of the Internal Revenue Code limit for tax-qualified plans up to a maximum creditable compensation level of \$350,000.

Under the tax-qualified 401(k) (or Qualified 401(k) Plan) portion of the Retirement Savings Plan, a participant may elect to contribute up to 50% of creditable plan compensation, in which event, the participant will be credited with a matching employer contribution equal to 100% of contributions that do not exceed 3% of the participant's contributions plus 50% of the contributions that exceed 3% but not 6% of the participant's compensation under the plan. All participants are always 100% vested in all contributions in the Qualified 401(k) Plan. All NEOs participate in the Qualified 401(k) Plan.

Under the tax-qualified Retirement Accumulation Account (or Qualified RAA) of the Retirement Savings Plan, a participant will be credited with an employer contribution based on the participant's years of service recognized under the plan for each year in which the participant is credited with at least 1,000 hours of service and is employed by M&T Bank Corporation on December 31st of such year (or for such years where employment was terminated during the year due to retirement, death or disability). Benefits under the Qualified RAA are subject to a five-year cliff vesting schedule. As explained in the discussion of the 2011 Pension Benefits table, Mr. Jones is the only NEO who participates in the Qualified RAA, and he is fully vested in the benefits under the plan based on his years of service.

The Deferred Bonus Plan was frozen effective January 1, 2010, and does not allow any deferrals of bonuses earned after that date. Prior to that date, the Deferred Bonus Plan allowed select members of management and highly compensated employees of M&T Bank Corporation to defer all or a portion of an annual bonus they received under an M&T Bank Corporation bonus or incentive plan.

*Supplemental Retirement Savings Plan - Supplemental 401(k) Plan.* The Supplemental 401(k) Plan provides unfunded, non-qualified benefits to select members of management and highly compensated employees of M&T Bank Corporation. All of the NEOs participate in the Supplemental 401(k) Plan.

For a given year, a participant may elect to contribute up to 50% of creditable plan compensation and the participant must elect the contribution percentage before the beginning of the year. A participant who contributes to the Supplemental 401(k) Plan for a given year is credited with a matching employer contribution under the Supplemental 401(k) Plan determined under the same matching formula as in the Qualified 401(k) Plan, which generally provides for a match equal to 100% of contributions that do not exceed 3% of the participant's compensation plus 50% of the contributions that exceed 3% but not 6% of the participant's compensation. Creditable compensation under the Supplemental 401(k) Plan is defined in the same way as under the Qualified Pension Plan, but it includes amounts deferred by participants under the Supplemental 401(k) Plan and the Deferred Bonus Plan and excludes compensation credited under the tax-qualified 401(k) plan, the Retirement Savings Plan. The maximum creditable compensation for the plan in any year is \$350,000.

A participant is always 100% vested in both his or her own contributions and the employer matching contributions, and all earnings on both types of contributions under the Supplemental 401(k) Plan. The plan provides that a participant may elect to receive benefits at a specified age or date, upon separation from service, at death or disability, or at the earliest of these events. A participant may elect to receive benefits in the form of a single lump sum or in annual installments payable over 5 or 10 years. Elections are made with respect to each year's contribution to the Supplemental 401(k) Plan prior to the beginning of each year. All payments from the Supplemental 401(k) Plan are made in the form of cash.

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*Supplemental Retirement Savings Plan - Supplemental Retirement Accumulation Account Plan.* The Supplemental Retirement Accumulation Account (or Supplemental RAA) portion of the Supplemental Retirement Savings Plan (or Supplemental RSP) is designed to provide participants with benefits that cannot be provided under our qualified plans as a result of limitations imposed by the Internal Revenue Code. Mr. Jones is the only NEO who participates in the Supplemental RAA.

For a given year, the Supplemental RAA credits a contribution on behalf of a participant that is equal to the difference between (1) the contribution that would be provided on plan compensation under the Qualified RAA if the Internal Revenue Code Limit did not exist up to the Supplemental RSP Plan compensation limit of \$350,000, and (2) the contribution actually provided under the Qualified RAA. Mr. Jones was credited with \$4,463 for the 2011 plan year. The book reserve accounts attributable to Supplemental RAA contributions are subject to the same vesting schedule as the accounts in the Qualified RAA, and Mr. Jones is fully vested in his Supplemental RAA account. Supplemental RAA benefits are payable at the same time and form as under the Supplemental 401(k) Plan. Service in the Supplemental RAA is determined in the same manner as under the Qualified RAA.

*Deferred Bonus Plan.* Through December 31, 2009, the Deferred Bonus Plan allowed select members of management and highly compensated employees of M&T Bank Corporation to defer all or a portion of an annual bonus award they received under an M&T Bank Corporation bonus or incentive plan. Deferrals under the Deferred Bonus Plan have been discontinued as of December 31, 2009, although Mr. Pinto has an account in the Deferred Bonus Plan as of December 31, 2010 resulting from prior years' deferrals and received a distribution under the plan in accordance with an election made under the plan in 1996.

When the Deferred Bonus Plan was active, an eligible employee could elect to defer a specific percentage or a dollar amount of the award, with a minimum deferral of \$10,000. A participant could elect to defer such amount for a period of 5 to 20 years and could elect to receive the deferred account balance in a single lump sum or in annual installments over 5 or 10 years. If the participant's employment ends prior to the time all deferrals have been distributed, the deferral period ends and payments commence in the form elected. Participants are always 100% vested in their deferred account balance.



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**Potential Payments Upon Termination or Change in Control.** The following table indicates the potential post-employment payments and benefits for the NEOs in the event that either of the following had occurred on December 31, 2011 and assuming M&T Bank Corporation was not subject to the TARP Compensation Standards: (i) an involuntary termination of employment or (ii) a change in control event accompanied by an involuntary termination of employment.

**Post-Employment Benefits (1)**

| Name              | Severance Pay<br>\$(2) | Health<br>Benefit<br>Coverage<br>(\$) | Value of<br>Equity<br>Awards<br>\$(3) | Total<br>Benefits<br>Upon<br>Involuntary<br>Termination<br>(\$) | Total Benefits<br>Upon Involuntary<br>Termination<br>Preceded by<br>Change in Control<br>Event<br>(\$) |
|-------------------|------------------------|---------------------------------------|---------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Robert G. Wilmers | 1,500,000              | 31,817                                | 3,683,023                             | 1,531,817                                                       | 6,746,657                                                                                              |
| René F. Jones     | 1,100,000              | 14,830                                | 1,561,611                             | 1,114,830                                                       | 3,791,271                                                                                              |
| Mark J. Czarnecki | 1,400,000              | 14,376                                | 3,055,661                             | 1,414,376                                                       | 5,884,413                                                                                              |
| Michael P. Pinto  | 1,400,000              | 16,903                                | 3,055,661                             | 1,416,903                                                       | 5,889,467                                                                                              |
| Kevin J. Pearson  | 1,100,000              | 23,231                                | 1,881,857                             | 1,123,231                                                       | 4,128,319                                                                                              |

- (1) In the event of an involuntary termination of employment, NEOs are entitled to the accelerated vesting of equity awards only if such involuntary termination is preceded by a change-in-control event.
- (2) Assumes the NEO would receive the maximum potential severance of 104 weeks of cash base salary.
- (3) As of December 31, 2011, all unvested stock options for the NEOs were out-of-the-money. The amounts shown reflect the value of unvested shares or units of restricted stock.

**Severance Pay Plan.** M&T Bank Corporation maintains a Severance Pay Plan that provides eligible employees with post-employment severance payments and the continuation of certain employee benefits when a **Qualifying Event** (defined as any permanent, involuntary termination of a participant's active employment as a result of a reduction in force, restructuring, outsourcing or elimination of position) occurs. Each NEO participates in the plan. Upon the occurrence of a Qualifying Event, each NEO will be entitled to:

the continuation of his cash base salary for at least 52 weeks, but in no event more than 104 weeks as determined at the time of the Qualifying Event; and

the continuation of certain benefits during the period in which severance payments are made, including, but not limited to medical, dental and vision insurance, life insurance and flexible spending accounts, provided the NEO continues to make contributions at the active employee rate.

In accordance with the TARP Compensation Standards, the Severance Pay Plan has been amended to prohibit the payment of any post-employment severance payments and the continuation of any employee benefits to any of the NEOs or the next five most highly compensated employees for the period of time in which any portion of the TARP CPP investment remains outstanding.

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**Accelerated Vesting of Equity Awards.** Under M&T Bank Corporation's various equity compensation plans, upon a change of control or death, disability or retirement, all employees, including the NEOs, would be immediately vested in any outstanding awards that were unvested at the time of the change of control or death, disability or retirement. For the period of time in which any portion of the TARP CPP investment remains outstanding, the acceleration of vesting of unvested equity awards may be prohibited upon the departure of the NEOs or the next five most highly compensated employees or upon a change in control of M&T Bank Corporation, in accordance with the TARP Compensation Standards.

**Director Compensation.** The following table contains information concerning the compensation of M&T Bank Corporation's directors in the 2011 fiscal year.

**2011 Director Compensation**

| Name                        | Fees<br>Earned or<br>Paid in<br>Cash<br>(\$)(1) | Stock<br>Awards<br>(\$)(2) | Option<br>Awards<br>(\$) | Non-<br>Equity<br>Incentive<br>Plan<br>Compensation<br>(\$) | Changes in<br>Pension<br>Value<br>and<br>Non-<br>Qualified<br>Deferred<br>Compensation<br>Earnings<br>(\$) | All<br>Other<br>Compensation<br>(\$) | Total<br>(\$) |
|-----------------------------|-------------------------------------------------|----------------------------|--------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------|
| Donald E. Foley             | 0                                               | 0                          | 0                        | 0                                                           | 0                                                                                                          | 865,385                              | 865,385(3)    |
| Robert E. Sadler, Jr.       | 0                                               | 0                          | 0                        | 0                                                           | 0                                                                                                          | 200,000                              | 200,000(4)    |
| C. Angela Bontempo          | 54,480                                          | 74,270                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 128,750       |
| Robert J. Bennett           | 62,003                                          | 61,747                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 123,750       |
| Patrick W.E. Hodgson        | 61,597                                          | 61,153                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 122,750       |
| Richard G. King             | 60,576                                          | 60,174                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 120,750       |
| Brent D. Baird              | 89                                              | 119,661                    | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 119,750       |
| Herbert L. Washington       | 58,493                                          | 58,257                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 116,750       |
| Jorge G. Pereira            | 50,521                                          | 50,229                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 100,750       |
| Robert T. Brady             | 48,576                                          | 48,174                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 96,750        |
| Michael D. Buckley          | 48,549                                          | 48,201                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 96,750        |
| T. Jefferson Cunningham III | 47,997                                          | 47,753                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 95,750        |
| Gary N. Geisel              | 45,099                                          | 44,851                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 89,950        |
| Melinda R. Rich             | 26,428                                          | 60,322                     | 0                        | 0                                                           | 0                                                                                                          | 0                                    | 86,750        |

- (1) Pursuant to the terms of the M&T Bank Corporation 2008 Directors' Stock Plan ( "2008 Directors' Stock Plan" ), each director can elect to receive payment of his or her annual compensation in cash, in shares of Common Stock, or in a combination of cash and shares of Common Stock for services as a director or advisory director of M&T Bank Corporation and its subsidiaries. The amounts listed in this column show only the amount of fees paid in cash.
- (2) Reflects fees paid in the form of Common Stock, which is paid at the end of each calendar quarter. The value of Common Stock paid is based on the grant date fair value, which equals the value as of the last business day of each calendar quarter on which shares of Common Stock are quoted on the NYSE.
- (3) Upon the acquisition of Wilmington Trust Corporation on May 16, 2011, Mr. Foley began serving as an employee of M&T Bank Corporation, and the amount shown represents his compensation during 2011 for that service.

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- (4) In accordance with the policy of the Board of Directors, Mr. Sadler is not eligible to receive directors' fees due to his continued service to M&T Bank Corporation as a paid consultant. The amount shown represents fees Mr. Sadler earned under a consulting arrangement with M&T Bank that commenced as of July 1, 2010 and remained in place throughout 2011.

**M&T Bank Corporation Directors' Fees.** Effective April 1, 2011, the annual retainer for directors of M&T Bank Corporation who are not also salaried officers of M&T Bank Corporation or its subsidiaries was increased from \$20,000 to \$85,000. Also, effective April 1, 2011, the meeting attendance fee for members of the Nomination, Compensation and Governance Committee was increased from \$1,000 to \$2,000. Members of the Audit and Risk Committee (other than the chair) receive an additional annual retainer of \$10,000, and the chair of the Audit and Risk Committee receives an additional annual retainer of \$20,000. Directors of M&T Bank Corporation who are not also salaried officers of M&T Bank Corporation or its subsidiaries receive an attendance fee of \$2,000 for each meeting of the Board of Directors attended. Directors who are members of the Executive Committee of the Board of Directors of M&T Bank Corporation receive \$1,000 for each Executive Committee meeting attended and members of the Audit and Risk Committee receive \$3,000 for each Audit and Risk Committee meeting attended. Compensation is paid at the end of each calendar quarter in an amount equal to one-quarter of a director's annual retainer and the meeting fees earned during such quarter. All directors of M&T Bank Corporation are entitled to reimbursement for travel expenses incidental to their attendance at meetings. The Board of Directors has determined that no fees (retainer, attendance or otherwise) shall be paid to a director who is a salaried officer of M&T Bank Corporation or any of its subsidiaries, or where such individual continues to receive payment for ongoing services to M&T Bank Corporation or any of its subsidiaries immediately after ceasing to be a salaried officer.

**M&T Bank Corporation 2008 Directors' Stock Plan.** Pursuant to the terms of the 2008 Directors' Stock Plan, each director can elect to receive payment of his or her annual compensation in cash, in shares of Common Stock, or in a combination of cash and shares of Common Stock for services as a director or advisory director of M&T Bank Corporation and its subsidiaries. The number of shares of Common Stock paid is determined by dividing the amount of such compensation payable in shares of Common Stock by the closing price of Common Stock on the NYSE on the business day immediately preceding the day the compensation is payable. Shares of Common Stock received in payment of fees vests immediately upon grant.

**M&T Bank Directors' Fees.** Directors of M&T Bank Corporation who also serve as directors of M&T Bank or its subsidiaries, if not salaried officers of M&T Bank Corporation or its subsidiaries, receive attendance fees for each board, council or committee meeting attended, unless any such meeting is held concurrently with board or committee meetings of M&T Bank Corporation, of which they are also a member. Except as described below, such attendance fees and the cash versus stock allocations are identical to the schedule of fees paid to directors of M&T Bank Corporation for board and committee meetings attended described above in the section entitled, "M&T Bank Corporation Directors' Fees."

Mr. Baird, as a member of the Directors Advisory Council of the New York City/Long Island Division of M&T Bank, received an annual retainer of \$10,000 and a fee of \$1,250 for each such meeting attended by him. Mr. Bennett, as a member of the Directors Advisory Council of the Central New York

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Division of M&T Bank, received a fee of \$1,000 for each such meeting attended by him. Mr. Cunningham, as the chairman of the Directors Advisory Council of the Hudson Valley Division of M&T Bank, received a fee of \$1,000 for each such meeting attended by him. Mr. Geisel, as the chairman of the Directors Advisory Council of the Baltimore-Washington Division of M&T Bank, received a fee of \$300 for each such meeting attended by him. All such directors of M&T Bank and its subsidiaries are entitled to reimbursement for travel expenses incidental to their attendance at meetings.

**Nonqualified Deferred Compensation Arrangements for Directors.** Mr. King is a participant in the Keystone Directors Fees Plan that was assumed by M&T Bank Corporation in connection with its acquisition of Keystone. The plan is a nonqualified, unfunded plan under which a Keystone director could elect to defer directors' fees in the form of phantom shares of Keystone's common stock. Upon the acquisition of Keystone, the right of participants to receive Keystone common stock was converted into the right to receive stock in M&T. Mr. King will receive annual distributions from his plan account over a five-year period commencing upon his resignation or retirement as a director.

Mr. Foley is a participant in the Wilmington Trust Company Directors Stock Deferral Plan that was assumed by M&T Bank Corporation in connection with its acquisition of Wilmington Trust Corporation. The plan is a nonqualified, unfunded plan under which a Wilmington Trust director could elect to defer director's fees in the form of phantom shares of Wilmington Trust Corporation common stock. Upon the acquisition of Wilmington Trust Corporation, the right of the participants to receive Wilmington Trust Corporation common stock was converted to the right to receive Common Stock. Mr. Foley will receive a lump sum distribution from his plan account commencing upon his resignation or retirement as a director.

## **TRANSACTIONS WITH DIRECTORS AND EXECUTIVE OFFICERS**

Mr. Wilmers is the beneficial owner of a 50 percent interest in certain entities which are unaffiliated with M&T Bank Corporation and which own commercial aircraft that are leased to a commercial aviation service. From time to time, M&T Bank charts planes from the aviation service for business use by Mr. Wilmers. M&T Bank paid \$473,693 to the aviation service for use of the aircraft in 2011. M&T Bank has determined that the fees paid to the aviation service for such business use of the aircraft are fair and competitive.

Mr. King's son-in-law, David Sivel, was hired as a non-executive officer employee of M&T Bank in November 2008. During 2011, he earned direct compensation of \$124,550. This compensation is comparable to that of employees performing similar functions at M&T Bank.

Mr. Foley entered into a consulting agreement with M&T Bank Corporation, effective January 1, 2012, following termination of his employment, pursuant to which he will be paid approximately \$65,000 per month and receive various medical, disability and other benefits until December 31, 2015.

Directors and executive officers of M&T Bank Corporation and their associates are, as they have been in the past, customers of, and have had transactions with, the banking and other operating subsidiaries of M&T Bank Corporation, and additional transactions may be expected to take place in the future between such persons and subsidiaries. Any loans from M&T Bank Corporation's subsidiary banks to such persons and their associates outstanding at any time since the beginning of 2011 were made in the ordinary course of business of the banks on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the banks or their subsidiaries, and did not involve more than normal risk of collectability or present other unfavorable features.

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In accordance with applicable NYSE listing standards, the Nomination, Compensation and Governance Committee reviews, approves or ratifies all related party or affiliate transactions between M&T Bank Corporation and any of its affiliates, directors, officers and/or employees or in which any of such persons directly or indirectly is interested or benefited other than for extensions of credit otherwise covered by policies and procedures governed by Federal Reserve Regulation O. The Nomination, Compensation and Governance Committee determines whether a particular relationship serves the best interest of M&T Bank Corporation and its shareholders and whether the relationship should be continued. In addition, M&T Bank Corporation has a Code of Business Conduct and Ethics for its directors, officers and employees, as well as its agents and representatives, including consultants, which requires that individuals avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in the best interests of M&T Bank Corporation. The Code of Business Conduct and Ethics encourages individuals to report any illegal or unethical behavior that they observe. In addition, as described in the section entitled, **BOARD OF DIRECTORS, DETERMINATION OF INDEPENDENCE AND ATTENDANCE**, such related party or affiliate transactions are considered by the Board of Directors in its review of director independence.

**CORPORATE GOVERNANCE OF M&T BANK CORPORATION**

The Board of Directors believes that the purpose of corporate governance is to ensure that shareholder value be maximized in a manner consistent with legal requirements and the highest standards of ethics and integrity. Recognizing the importance of corporate governance, the Board of Directors adopted corporate governance standards in July 1997 and has consistently adhered to corporate governance practices that the Board of Directors and executive management believe promote this purpose. The Board of Directors has evaluated and approved its corporate governance standards on an annual basis since their adoption.

The Board of Directors last amended its Corporate Governance Standards in November 2010. The current Corporate Governance Standards are available on M&T Bank Corporation's website at [ir.mandtbank.com/corpgov.cfm](http://ir.mandtbank.com/corpgov.cfm). The Corporate Governance Standards address the qualifications and responsibilities of directors, board committee charters, a corporate disclosure policy, controls and procedures regarding financial reporting and disclosure, and separate codes of ethics for all employees and the chief executive officer and senior financial officers.

Under M&T Bank Corporation's Amended and Restated Bylaws, in an uncontested election, the affirmative vote of a majority of the votes cast in favor or against the election of a nominee is required for the election of such nominee as a director, assuming a quorum is present or represented at the meeting. If an incumbent director in an uncontested election does not receive a majority of the votes cast in favor or against such director, that director would be required to tender his or her resignation to the Board of Directors. The Board of Directors will then determine whether or not to accept such resignation, taking into account the recommendation of the Nomination, Compensation and Governance Committee, and will publicly disclose via a press release or SEC filing its decision within 90 days of the certification of the election results.

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During 2011, the Nomination, Compensation and Governance Committee engaged McLagan to provide compensation consulting services regarding executive officer and director compensation, including with respect to the amount and form of executive compensation. The fees for such engagement totaled \$123,585 for 2011. In addition, McLagan and its parent company, Aon, have also been engaged by M&T Bank to provide additional services. Specifically, McLagan provided compensation consulting services and compensation survey information to management of M&T Bank during 2011 for a total cost of \$207,190. The decision to engage McLagan for these services was made by management after consultation with the Nomination, Compensation and Governance Committee. Aon provided benefit administration and actuarial services to M&T Bank during 2011 for a total cost of \$338,715. Aon was the benefits consultant and actuary that assisted Wilmington Trust Corporation with the administration of its benefit plans and all but \$23,367 of the fees in 2011 were associated with transitioning the administration of those plans to M&T Bank. It is expected that there will be no need to use Aon for those services after 2011. The decision to engage Aon for the additional services related primarily to the transition of the Wilmington Trust Corporation plans to M&T Bank was made by management without consultation with the Nomination, Compensation and Governance Committee.

## **BOARD OF DIRECTORS, COMMITTEES OF THE BOARD AND ATTENDANCE**

**Board of Directors, Determination of Independence and Attendance.** Pursuant to the Corporate Governance Standards, the Board of Directors undertook a review of director independence in April and May 2011. As a result of that review, the Board of Directors determined that 12 of its 17 then current members met the NYSE standard for independence. Of the 14 nominees standing for election as directors at the 2012 Annual Meeting of Shareholders, all of whom are currently serving as such, the Board has affirmatively determined that 10 meet the NYSE standard for independence. The Board of Directors uses categorical standards to assist it in making independence determinations. Under these standards, absent other material relationships with M&T Bank Corporation that the Board of Directors believes jeopardize a director's independence from management, a director will be independent unless the director or any of his or her immediate family members had any of the following relationships with M&T Bank Corporation: employment during any of the past three years (as an executive officer in the case of family members); the receipt of more than \$120,000 per year in direct compensation (other than director fees and pension or other forms of deferred compensation for prior service not contingent upon continued service and as an executive officer in the case of family members) during any 12-month period over the past three years; affiliation or employment with a present or former internal or external auditor during any of the past three years; employment with another company where any executive officers of M&T Bank Corporation serve on that company's compensation committee during any of the past three years; being an executive officer of a charitable organization to which M&T Bank Corporation contributed the greater of \$1 million or two percent (2%) of such charitable organization's consolidated gross revenues in any single fiscal year during the preceding three years; or being an executive officer of a company that makes payments to, or receives payments from, M&T Bank Corporation for property or services in a fiscal year in an amount in excess of the greater of \$1 million or two percent (2%) of such other company's consolidated gross revenues. In addition, if any business relationship described in the last clause of the preceding sentence is a lending relationship, deposit relationship, or other banking or commercial relationship between M&T Bank Corporation, on the one hand, and an entity with which the director or family

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member is affiliated by reason of being a director, officer or a significant shareholder thereof, on the other hand, such relationships must meet the following criteria: (1) it must be in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons; and (2) with respect to extensions of credit by M&T Bank Corporation to such entity: (a) such extensions of credit have been made in compliance with applicable law, including Regulation O of the Board of Governors of the Federal Reserve and Section 13(k) of the Exchange Act and (b) no event of default has occurred and is continuing beyond any period of cure.

In making its determination as to the independent directors, the Board of Directors considered the following categories of transactions, relationships and arrangements with directors and their immediate family members and any such person's principal business affiliations: for Messrs. Baird, Bennett, Brady, Buckley, Cunningham, Geisel, Hodgson, King and Pereira, Ms. Bontempo and Mrs. Rich, ordinary course, non-preferential extensions of credit or other financial services; for Mrs. Rich, payments by M&T Bank to a director-affiliated company for services in an amount that does not exceed the greater of \$1 million or 2% of such company's consolidated gross revenues and for Mr. King, employment of his son-in-law by M&T Bank as a non-executive officer as discussed above.

The Board of Directors, upon the recommendation of the Nomination, Compensation and Governance Committee considered these transactions, relationships and arrangements and, consistent with the applicable independence standards, determined that they do not impair the relevant director's independence as a director of M&T Bank Corporation or as a member of the committees on which they serve.

The Board of Directors considers all relevant facts and circumstances and the application of the categorical standards and, based on its review of this information, affirmatively determined that the directors identified below as independent do not have any material relationships with M&T Bank Corporation.

Following are the names of each current member of the Board of Directors for whom an affirmative determination of independence was made in 2011:

Brent D. Baird

Robert J. Bennett

C. Angela Bontempo

Robert T. Brady

Michael D. Buckley

T. Jefferson Cunningham, III

Gary N. Geisel

Patrick W.E. Hodgson

Richard G. King

Jorge G. Pereira

Melinda R. Rich

Herbert L. Washington

The Board of Directors held eleven meetings during 2011. Each of the directors attended at least 75% of the total number of meetings of the Board of Directors and of the committees on which the director served that were held during the time such individual served as a director or a committee member.

It is the policy of M&T Bank Corporation that all members of the Board of Directors attend its Annual Meetings of Shareholders, absent exigent circumstances. All of the 14 nominees standing for election at the 2012 Annual Meeting of Shareholders were elected at last year's Annual

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Meeting of Shareholders. All but one of the 14 nominees attended last year's Annual Meeting of Shareholders.



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**Board Leadership Structure.** Mr. Wilmers serves as the Chairman of the Board and the Chief Executive Officer of M&T Bank Corporation. He has held the post of Chief Executive Officer for the past 29 years, excluding a period of 18 months during which Mr. Sadler held such title. He has also served as Chairman of the Board for the majority of these years. In light of Mr. Wilmers' significant leadership tenure with the organization, and the fact that he led the company through its growth from a local community bank to one of the top 20 largest domestic commercial banking institutions, the company believes this is an appropriate structure for leadership of the Board of Directors as it fosters, among other matters, effective decision-making and clear accountability. Mr. Pereira serves as the lead independent director, a position which he has held for over eight years. As the lead independent director, Mr. Pereira presides over the executive sessions of the non-management directors of M&T Bank Corporation.

The Board of Directors has delegated its risk oversight duties to the Audit and Risk Committee. The Board of Directors receives reports from the Audit and Risk Committee at each of its meetings. Further, the Enterprise-Wide Risk Management Committee of M&T Bank Corporation, which is the primary management-level risk committee, and the M&T Bank risk management officer make regular reports directly to the Audit and Risk Committee.

**Executive Sessions of the Board of Directors.** The non-management directors of M&T Bank Corporation meet at regularly scheduled executive sessions without management. Mr. Pereira, a vice chairman of the Board of Directors and the lead independent director, presides at these meetings. In his absence, the non-management directors determine which one of them will preside at such meetings.

Interested parties may make their concerns known directly to the lead independent director or the non-management directors as a group by submitting their written correspondence to M&T Bank Corporation's Corporate Secretary, One M&T Plaza, Buffalo, New York 14203. The Corporate Secretary may facilitate such direct communications to the lead independent director or the non-management directors as a group by reviewing, sorting and summarizing such communications.

**Audit and Risk Committee.** In addition to selecting the independent registered public accounting firm, the Audit and Risk Committee serves as the examining committee for Wilmington Trust, N.A. and reviews the activities of the Examining Committee of M&T Bank, the audit plan and scope of work of M&T Bank Corporation's independent registered public accounting firm, the results of the annual audit and the limited reviews of quarterly financial information, the recommendations of the independent registered public accounting firm with respect to internal controls and accounting procedures, major policies with respect to risk assessment and risk management, and any other matters it deems appropriate. Ms. Bontempo (Chair) and Messrs. Bennett, Hodgson, King and Washington served as members of the Audit and Risk Committee throughout 2011, and all of them are currently serving as such. From time to time, Audit and Risk Committee meetings may be attended by other members of the Board of Directors, employees of M&T Bank Corporation, representatives of the independent registered public accounting firm or other outside advisors as the Audit and Risk Committee requests or deems necessary, useful or appropriate in its sole discretion.

The Board of Directors has determined that the members of the Audit and Risk Committee have no financial or personal ties to M&T Bank Corporation (other than director compensation, equity ownership and transactions made in the ordinary course of business with its banking and other operating subsidiaries as described in this Proxy Statement) and meet both the NYSE and Securities Exchange Act standards for independence. In addition, the Board of Directors has determined that each member of the Audit and Risk Committee is financially

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literate, and that at least one member of the Audit and Risk Committee meets the NYSE standard of having accounting or related financial management expertise. In addition, the Board of Directors has determined that Ms. Bontempo and Mr. Hodgson are each an audit committee financial expert.

The Audit and Risk Committee operates pursuant to a written charter that was last amended on September 21, 2010. A copy of the Audit and Risk Committee Charter can be accessed on M&T Bank Corporation's website at [ir.mandtbank.com/corpgov.cfm](http://ir.mandtbank.com/corpgov.cfm). The Audit and Risk Committee Charter gives the Audit and Risk Committee the authority and responsibility for the appointment, retention, compensation and oversight of the independent registered public accounting firm, including pre-approval of all audit and non-audit services to be performed by the independent registered public accounting firm. The Audit and Risk Committee Charter also gives the committee authority to fulfill its obligations under SEC and NYSE requirements.

**Report of the Audit and Risk Committee.** The members of the Audit and Risk Committee are independent as that term is defined in the listing standards of the NYSE. The Audit and Risk Committee operates under a written charter adopted by the Board of Directors. A copy of the Audit and Risk Committee Charter can be accessed on M&T Bank Corporation's website at [ir.mandtbank.com/corpgov.cfm](http://ir.mandtbank.com/corpgov.cfm). During 2011, the Audit and Risk Committee met six times, and held discussions with M&T Bank Corporation's management and representatives of its independent registered public accounting firm consistent with its responsibilities under its charter.

Management is responsible for the preparation of M&T Bank Corporation's consolidated financial statements and their assessment of the design and effectiveness of M&T Bank Corporation's internal control over financial reporting. The independent registered public accounting firm is responsible for performing an independent audit of M&T Bank Corporation's consolidated financial statements and opining on management's internal control assessment and the effectiveness of those controls in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB) and issuing their reports thereon. As provided in its charter, the Audit and Risk Committee's responsibilities include monitoring and overseeing these processes.

In discharging its oversight responsibilities, the Audit and Risk Committee has reviewed and discussed M&T Bank Corporation's 2011 audited consolidated financial statements with M&T Bank Corporation's management and its independent registered public accounting firm and has reviewed and discussed with the independent registered public accounting firm all communications required by standards of the PCAOB, including the matters described in PCAOB AU Section 380 (Communication with Audit Committees), which include, among other items, matters related to the conduct of the audit of M&T Bank Corporation's financial statements.

The Audit and Risk Committee has also received the written disclosures and the letter from M&T Bank Corporation's independent registered public accounting firm as required by the PCAOB's Ethics and Independence Rule 3526 (Communication with Audit Committees Concerning Independence) and has discussed with the independent registered public accounting firm their independence.

Based on these reviews and discussions with management and the independent registered public accounting firm, the Audit and Risk Committee has recommended to the Board of Directors that the audited consolidated financial statements and report on management's assessment of the design and effectiveness of internal control over financial reporting be included in M&T Bank Corporation's Annual Report on Form 10-K for the year ended December 31, 2011 to be filed with the SEC. The Audit and Risk Committee also selected the independent registered public accounting firm.

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This report was adopted on February 21, 2012 by the Audit and Risk Committee of the Board of Directors:

C. Angela Bontempo, Chair

Robert J. Bennett

Patrick W.E. Hodgson

Richard G. King

Herbert L. Washington

In accordance with and to the extent permitted by applicable law or regulation, the information contained in the Report of the Audit and Risk Committee of M&T Bank Corporation shall not be incorporated by reference into any future filing under the Securities Act or the Exchange Act and shall not be deemed to be soliciting material or to be filed with the SEC under the Securities Act or the Exchange Act.

**Nomination, Compensation and Governance Committee.** The Nomination, Compensation and Governance Committee is responsible for, among other things, evaluating the efforts of M&T Bank Corporation and of the Board of Directors to maintain effective corporate governance practices and identifying candidates for election to the Board of Directors. The Nomination, Compensation and Governance Committee will consider candidates suggested by shareholders. Nominations from shareholders, properly submitted in writing to M&T Bank Corporation's Corporate Secretary at One M&T Plaza, Buffalo, New York 14203, and received no later than 120 days prior to the anniversary of the date on which M&T Bank Corporation first mailed its proxy materials for the preceding year's Annual Meeting of Shareholders, will be referred to the Nomination, Compensation and Governance Committee for consideration. For next year's Annual Meeting of Shareholders, M&T Bank Corporation must receive these nominations on or before November 7, 2012.

In considering nominees for director, including those recommended by shareholders, the Nomination, Compensation and Governance Committee reviews the qualifications and independence of the potential nominee in light of the current members of the Board of Directors and its various committees as well as the composition of the Board of Directors as a whole. This assessment includes the potential nominee's qualification as independent, as well as consideration of diversity, age, skills, experience, tenure, contribution and appropriate geographic balance in the context of the needs of the Board of Directors and its committees.

The current Board of Directors of M&T Bank Corporation is comprised of persons who were identified as being qualified director candidates by management and the Board of Directors. The Nomination, Compensation and Governance Committee considers nominees for director that are recommended by various persons or entities, including, but not limited to, non-management directors, the chief executive officer and other executive officers of M&T Bank Corporation, and shareholders. In addition, the Nomination, Compensation and Governance Committee takes into account any contractual rights that persons or entities have with respect to nominees for director. In evaluating all nominees for director, including those recommended by shareholders, the Nomination, Compensation and Governance Committee considers whether each nominee has all the requisite experience, attributes and qualifications for board membership and not just certain specific qualities or skills.

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The Nomination, Compensation and Governance Committee also is responsible for administering M&T Bank Corporation's equity compensation plans, and awarding new grants thereunder, for administering the Annual Executive Incentive Plan, the 2008 Directors' Stock Plan, the Employee Stock Purchase Plan, for making such determinations and recommendations as the Nomination, Compensation and Governance Committee deems necessary or appropriate regarding the remuneration and benefits of employees of M&T Bank Corporation and its subsidiaries, for reviewing with management the Compensation Discussion and Analysis and providing a report recommending to the Board of Directors whether the Compensation Discussion and Analysis should be included in the Proxy Statement and, in addition, for fulfilling its obligations under the TARP Compensation Standards. The Nomination, Compensation and Governance Committee met six times during 2011.

The Nomination, Compensation and Governance Committee operates pursuant to a written charter setting out the functions and responsibilities of this committee that was last amended on November 16, 2010. A copy of the Nomination, Compensation and Governance Committee Charter can be accessed on the Investor Relations section of M&T Bank Corporation's website at [ir.mandtbank.com/corpgov.cfm](http://ir.mandtbank.com/corpgov.cfm).

**Board Diversity.** M&T Bank Corporation strives to foster an inclusive workplace environment which respects and values individual differences. Further, the organization believes that diversity of its employees enhances the organization's ability to innovate, and therefore to maintain a competitive advantage. M&T Bank Corporation values diversity among its board members for these same reasons. The Corporate Governance Standards provide that in discharging its duties of reviewing the qualifications of director nominees, the Nomination, Compensation and Governance Committee shall consider, among other factors, diversity, age, skills and experience in the context of the needs of the Board of Directors. In light of this guideline, the Nomination, Compensation and Governance Committee endeavors to appoint a slate of nominees that represents diversity with respect to educational background, business experience, skills, geographic representation and community involvement, as well as gender, race and national origin. The Nomination, Compensation and Governance Committee does not assign specific weights to any particular criteria, however, and its goal is to identify nominees that considered as a group will possess the talents and characteristics necessary for the Board of Directors to fulfill its responsibilities.

**Nomination, Compensation and Governance Committee Interlocks and Insider Participation.** Messrs. Pereira (Chairman), Baird, Brady and Buckley served as members of the Nomination, Compensation and Governance Committee throughout 2011, and all of them are currently serving as such. Mr. Pereira is a vice chairman of M&T Bank Corporation and M&T Bank, titular posts without day-to-day managerial responsibilities which he has held since April 18, 1984, and Mr. Pereira has not received additional compensation for serving in such capacities.

The Board of Directors has determined that the members of the Nomination, Compensation and Governance Committee have no financial or personal relationships with M&T Bank Corporation requiring disclosure pursuant to SEC rule (other than director compensation, equity ownership and transactions made in the ordinary course of business with its banking and other operating subsidiaries as described in this Proxy Statement) and meet the NYSE standard for independence.

**Executive Committee.** The Board of Directors has empowered its Executive Committee to act when the Board of Directors is not in session, during which time the Executive Committee possesses all of the board's powers in the management of the business and affairs of M&T Bank Corporation except as otherwise limited by law. The Executive Committee did not meet during 2011. Messrs. Wilmers (Chairman), Baird, Bennett, Buckley and Hodgson served as members of the Executive Committee throughout 2011.

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The Executive Committee operates under a written charter setting out the functions and responsibilities of this committee, a copy of which is available on M&T Bank Corporation's website at [ir.mandtbank.com/corpgov.cfm](http://ir.mandtbank.com/corpgov.cfm).

## **CODES OF ETHICS**

M&T Bank Corporation has historically provided all of its new employees with a copy of an employee handbook that has included a Code of Business Conduct and Ethics. In addition, M&T Bank Corporation has required new employees to certify that they are responsible for reading and familiarizing themselves with the employee handbook and its contents, including the Code of Business Conduct and Ethics, and adhering to such policies and procedures.

M&T Bank Corporation's Code of Business Conduct and Ethics applies to its directors, officers, employees, as well as its agents and representatives, including consultants. The Code of Business Conduct and Ethics requires that individuals avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in the best interests of M&T Bank Corporation. In addition, the Code of Business Conduct and Ethics encourages individuals to report any illegal or unethical behavior that they observe. The Code of Business Conduct and Ethics is a guide to help ensure that all such individuals live up to the highest ethical standards.

M&T Bank Corporation also has a Code of Ethics for CEO and Senior Financial Officers that applies to the chief executive officer, the chief financial officer, the controller and all other senior financial officers designated by the chief financial officer from time to time. This code of ethics supplements the Code of Business Conduct and Ethics and is intended to promote honest and ethical conduct, full and accurate reporting and compliance with laws as well as other matters.

Copies of the Code of Business Conduct and Ethics and the Code of Ethics for CEO and Senior Financial Officers are available on M&T Bank Corporation's website at [ir.mandtbank.com/corpgov.cfm](http://ir.mandtbank.com/corpgov.cfm).

As is permitted by SEC rules, M&T Bank Corporation intends to post on its website any amendment to or waiver from any provision in the Code of Ethics for CEO and Senior Financial Officers that applies to the chief executive officer, the chief financial officer, the controller, or persons performing similar functions, and that relates to any element of the standards enumerated in the rules of the SEC.

## **AVAILABILITY OF CORPORATE GOVERNANCE STANDARDS**

In addition to being available on M&T Bank Corporation's website at [ir.mandtbank.com/corpgov.cfm](http://ir.mandtbank.com/corpgov.cfm), copies of M&T Bank Corporation's Corporate Governance Standards, and the charters for the Audit and Risk Committee, the Nomination, Compensation and Governance Committee and the Executive Committee, and the Code of Business Conduct and Ethics and the Code of Ethics for CEO and Senior Financial Officers are available in print to any shareholder who requests such information. To make a request, shareholders may either mail their request to M&T Bank Corporation, Attention: Shareholder Relations, One M&T Plaza, Buffalo, New York 14203, or send such request to Shareholder Relations via electronic mail at [ir@mtb.com](mailto:ir@mtb.com).

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### **SOLICITATION COSTS**

The cost of soliciting proxies in the accompanying form will be borne by M&T Bank Corporation. The solicitation is being made by mail, and may also be made by telephone or in person using the services of a number of regular employees of M&T Bank Corporation and its subsidiary banks at nominal cost. Banks, brokerage firms and other custodians, nominees and fiduciaries will be reimbursed by M&T Bank Corporation for expenses incurred in sending proxy materials to beneficial owners of the Common Stock.

### **SHAREHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

Shareholders may communicate with the Board of Directors or individual directors by submitting their written correspondence to M&T Bank Corporation's Corporate Secretary, One M&T Plaza, Buffalo, New York 14203. The Corporate Secretary may facilitate such direct communications with the Board of Directors or individual directors by reviewing, sorting and summarizing such communications.

### **SHAREHOLDER PROPOSALS**

Under M&T Bank Corporation's Amended and Restated Bylaws, no business may be brought before an annual meeting of shareholders unless it is specified in the notice of the meeting or is otherwise brought before the meeting by the Board of Directors or by a shareholder entitled to vote who has delivered notice to M&T Bank Corporation (containing information specified in the Amended and Restated Bylaws) not less than 120 days prior to the anniversary of the date on which M&T Bank Corporation first mailed its proxy materials for the preceding year's annual meeting of shareholders. These requirements are separate from and in addition to the SEC's requirements that a shareholder must meet in order to have a shareholder proposal included in M&T Bank Corporation's Proxy Statement. A shareholder wishing to submit a proposal for consideration at the 2013 Annual Meeting of Shareholders, either under SEC Rule 14a-8 or otherwise, should do so no later than November 7, 2012.

### **NOTICE PURSUANT TO SECTION 726(d) OF THE NEW YORK BUSINESS CORPORATION LAW**

On December 31, 2011, M&T Bank Corporation renewed its policy of directors' and officers' liability insurance for a one-year term at a cost of \$1,278,000 in premiums, including fees. The policy is carried with HCC Global Financial Products and covers all directors and officers of M&T Bank Corporation and its subsidiaries.

### **OTHER MATTERS**

The Board of Directors of M&T Bank Corporation is not aware of any matters not referred to in the enclosed proxy that will be presented for action at the 2012 Annual Meeting of Shareholders. If any other matters properly come before the meeting, it is the intention of the persons named in the enclosed Proxy Statement to vote the shares represented thereby in accordance with their best judgment.

March 7, 2012

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