

**M&T BANK CORPORATION
EXCESSIVE OR LUXURY EXPENDITURES POLICY**

Introduction. This Excessive or Luxury Expenditures Policy is intended to fulfill the requirements under Section 111(d) of the Emergency Economic Stabilization Act of 2008 (“EESA”), as amended by the American Recovery and Reinvestment Act of 2009, and the TARP Standards for Compensation and Corporate Governance; Interim Final Rule promulgated by the Secretary of the U.S. Treasury Department (the “U.S. Treasury”).

Section 111(d) of EESA requires the board of directors of each recipient of funds under the Capital Purchase Program of the Troubled Asset Relief Program (“TARP”) to put in place a company-wide policy regarding excessive or luxury expenditures.

Excessive or Luxury Expenditure Standard. M&T Bank Corporation and its subsidiaries (collectively, the “Company”) prohibits excessive or luxury expenditures on

- (1) Entertainment or events;
- (2) Office and facility renovations;
- (3) Aviation or other transportation services; or
- (4) Other activities or events that are not reasonable expenditures for staff development, reasonable performance incentives, or other similar measures conducted in the normal course of the Company’s business operations.

For the purposes of this Policy, excessive or luxury expenditures are generally defined by the Company as those expenditures which:

- (A) cannot be justified as a reasonable and prudent expense in the normal course of business; or
- (B) can be reasonably viewed as excessive or luxurious when other reasonable cost-efficient expenditures or methods are available but not utilized.

Expenditures related to the following events, matters and activities will be subject to the following requirements to the extent that such expenditures are not reasonable expenditures for staff development, reasonable performance incentives, or other similar reasonable measures conducted in the normal course of the Company’s business operations:

Entertainment:

It is expected that all entertainment expenses would be for business-related and/or marketing purposes. Occasional reasonable expenditures that are related to social entertainment for potential or current clients are a necessary part of the Company’s business and marketing strategies and, therefore, are not deemed excessive or in violation of this Policy. These expenses should be documented through the normal accounts payable process.

Events:

From time to time, the Company will require or permit its employees, officers and directors to attend events that are appropriate educational, marketing, strategic planning, business development or other business purposes opportunities. These conferences should be related to the financial services industry and have a direct correlation to an individual director, officer or employee's responsibilities and must be approved in accordance with existing business unit or departmental procedures. At times it may be appropriate that a spouse travel to these events with an individual director, officer or employee. Typically these events are sponsored by vendors, banking associations, or other industry related entities. Events that do not have an educational, marketing, strategic planning, business development or other business purpose will generally not be subsidized by the Company.

Renovations:

Reasonable renovations of facilities and office spaces from time to time are considered acceptable. In addition, management may incur additional expenses in connection with renovations in an emergency situation, such as an act of nature. Excessive expenditures on renovations are prohibited, unless there is a reasonable business purpose and it has received prior approval pursuant to this Policy.

Aviation or Other Transportation Services:

Transportation for directors, officers and employees of the Company in fulfilling their respective duties, including, without limitation, to bank locations, conferences, business development purposes and merger and acquisition due diligence, should generally be conducted in a cost efficient manner for the Company when appropriate, although other relevant factors may be considered when determining the specific mode of transportation. Modes of transportation to be used may consist of vehicle, commercial or private air or rail service. The selection of transportation services will take into account cost, efficiency, timeliness of travel and the needs of the Company and its directors, officers and employees.

Review and Approval of Expenditures. Questions regarding this Policy, including the review and prior approval of any expenditure as to its reasonableness shall be directed to the executive officer in charge of the Human Resources Department, who shall consult with the General Counsel and make a recommendation to one of the Company's Senior Executive Officers (as defined under the EESA as amended by ARRA) for a determination, provided that no Senior Executive Officer shall make any determination with respect to his or her own expenditures. All determinations by such persons shall be final, binding and conclusive on all persons for all purposes.

Policy Compliance. Any violation of this Policy must be promptly reported to the executive officer in charge of the Human Resources Department or the General Counsel utilizing the Company's ethics and compliance hotline or any other means available for the internal reporting of policy violations, and all such violations shall be reported to the Nomination, Compensation and Governance Committee of the Board of Directors at its next subsequent meeting. Violations of this Policy may result in disciplinary action against those accountable for policy adherence, up to and including termination of employment.

Policy Certification. The Principal Executive Officer and the Principal Financial Officer of the Company (as defined under the EESA as amended by ARRA) shall certify to the Board of Directors, to the U.S. Treasury and to the Board of Governors of the Federal Reserve System at least annually, in accordance with applicable U.S. Treasury regulations and guidance, that the Company has complied with this Policy during the applicable period, and that all expenditures requiring approval pursuant to this Policy have been properly approved in accordance with the requirements of this Policy. Appropriate documentation and records to substantiate such certifications shall be preserved for six (6) years after the date of each such certification in accordance with applicable government regulations and guidance.

Policy Maintenance. At all times during the TARP period, the Company will maintain this Policy, ensure it is posted on the Company website and provide a copy of this Policy, and any material amendments thereto, to the U.S. Treasury and the Board of Governors of the Federal Reserve System on or prior to September 14, 2009 and within 90 days of any material amendment.

Policy Amendments. Amendments to the Policy will be made as necessary based upon the recommendation of the Nomination, Compensation and Governance Committee and the approval of the Board of Directors.