

M&T BANK CORP  
Form DEF 14A  
March 05, 2007

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**SCHEDULE 14A**

(RULE 14a-101)

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. \_\_\_\_\_ )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by**

**Rule 14a-6(e)(2))**  Definitive Proxy Statement  Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

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.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

---

(2) Aggregate number of securities to which transaction applies:

---

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

---

(4) Proposed maximum aggregate value of transaction:

---

(5) Total fee paid:

---

Fee paid previously with preliminary materials.

## Edgar Filing: M&T BANK CORP - Form DEF 14A

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: \_\_\_\_\_

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

(3) Filing Party: \_\_\_\_\_

(4) Date Filed: \_\_\_\_\_

---

**M&T BANK CORPORATION**  
One M&T Plaza  
Buffalo, New York 14203  
Notice of 2007 Annual Meeting of Stockholders  
and  
Proxy Statement

---

**M&T BANK CORPORATION**

One M&T Plaza  
Buffalo, New York 14203

March 5, 2007

Dear Stockholder,

You are cordially invited to attend the 2007 Annual Meeting of Stockholders 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, 2007 at 11:00 a.m.

Stockholders will be asked to elect 20 directors and ratify the appointment of PricewaterhouseCoopers LLP as our independent public accountant for the year ending December 31, 2007. Information about the nominees for director and PricewaterhouseCoopers LLP 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 20 nominees and to ratify the appointment of PricewaterhouseCoopers LLP as the independent public accountant of M&T Bank Corporation.

**ROBERT G. WILMERS**  
Chairman of the Board and  
Chief Executive Officer

---

**YOUR VOTE IS IMPORTANT**

It is important that your shares be represented and voted at the Annual Meeting of Stockholders. Stockholders 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. Stockholders or other beneficial owners of shares whose shares are held in the name of a broker, bank or other holder of record must vote using the form of proxy sent by the nominee. Check your proxy card or the information forwarded by your broker, bank or other holder of record to see which options are available to you. Any stockholder present at the meeting may withdraw his or her proxy and vote personally on any matter properly brought before the meeting.

**DISCONTINUE DUPLICATE MAILINGS**

M&T Bank Corporation currently provides annual reports to stockholders who receive proxy statements. If you are a stockholder of record and have more than one account in your name or at the same address as other stockholders of record, you may authorize M&T Bank Corporation to discontinue mailings of multiple annual reports and proxy statements. To discontinue duplicate 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@mandtbank.com](mailto:ir@mandtbank.com).

---

**M&T BANK CORPORATION**

One M&T Plaza

Buffalo, New York 14203

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

- TIME** 11:00 a.m., local time, on Tuesday, April 17, 2007.
- PLACE** One M&T Plaza  
10th Floor  
Buffalo, New York 14203
- ITEMS OF BUSINESS**
- (1) To elect 20 directors for a term of one (1) year and until their successors have been elected and qualified.
  - (2) To ratify the appointment of PricewaterhouseCoopers LLP as the independent public accountant of M&T Bank Corporation for the year ending December 31, 2007.
  - (3) To transact such other business as may properly come before the meeting and any adjournments thereof.
- RECORD DATE** Holders of the Common Stock of record at 5:00 p.m., Eastern Standard Time, on February 28, 2007 are entitled to vote at the meeting.
- VOTING** 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, **or** 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 Stockholders. Any stockholder present at the meeting may withdraw his or her proxy and vote personally on any matter properly brought before the meeting.

March 5, 2007

MARIE KING  
Corporate Secretary

---

**Table of Contents**

INTRODUCTION	Page 1
VOTING RIGHTS	1
PRINCIPAL BENEFICIAL OWNERS OF SHARES	2
ELECTION OF DIRECTORS	4
NOMINEES FOR DIRECTOR	4
PROPOSAL TO RATIFY THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE INDEPENDENT PUBLIC ACCOUNTANT OF M&T BANK CORPORATION	9
Audit Fees	9
Audit-Related Fees	9
Tax Fees	9
All Other Fees	9
Policy on Audit and Risk Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Public Accountant	10
STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS	11
Section 16(a) Beneficial Ownership Reporting Compliance	12
COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS	13
Compensation Discussion and Analysis	13
Overview of M&T Bank Corporation	13
Overview and Objectives of Executive Compensation Programs	13
Salaries	15
Annual Cash Incentives	15
Stock-Based Compensation	15
Perquisites and Other Personal Benefits	17
Retirement and Other Benefits	17
Tax Matters	18
Nomination, Compensation and Governance Committee Report	19
Summary Compensation Table	20
Grants of Plan-Based Awards	22
Outstanding Equity Awards at Fiscal Year-End	23
Options Exercised and Stock Vested	26
Pension Benefits	27
Overview of Pension Plan	27
Explanation of Pension Benefits Table	28
Qualified Pension Plan	28
Supplemental Pension Plan	30
Individual Pension Agreements	31





	Page
Nonqualified Deferred Compensation	32
Overview of Nonqualified Deferred Compensation Plans	32
Retirement Savings Plan	33
Qualified 401(k) Plan	33
Qualified RAA	33
Supplemental Retirement Savings Plan	34
Supplemental 401(k) Plan	34
Supplemental RAA	34
Deferred Bonus Plan	35
Post-Employment Benefits	36
Severance Pay Plan	36
Accelerated Vesting of Equity Awards	36
Conditions to Receipt of Post-Employment Benefits	36
Director Compensation	37
M&T Bank Corporation Directors Fees	38
M&T Bank Directors Fees	39
Nonqualified Deferred Compensation Arrangements	39
TRANSACTIONS WITH DIRECTORS AND EXECUTIVE OFFICERS	39
CORPORATE GOVERNANCE OF M&T BANK CORPORATION	40
BOARD OF DIRECTORS, COMMITTEES OF THE BOARD AND ATTENDANCE	40
Board of Directors, Determination of Independence and Attendance	40
Executive Sessions of the Board of Directors	41
Audit and Risk Committee	42
Report of the Audit and Risk Committee	42
Nomination, Compensation and Governance Committee	43
Nomination, Compensation and Governance Committee Interlocks and Insider Participation	44
Executive Committee	45
CODES OF BUSINESS CONDUCT AND ETHICS	45
AVAILABILITY OF CORPORATE GOVERNANCE GUIDELINES	46
SOLICITATION COSTS	46
STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS	46
STOCKHOLDER PROPOSALS	46
NOTICE PURSUANT TO SECTION 726(d) OF THE NEW YORK BUSINESS CORPORATION LAW	46
OTHER MATTERS	46
APPENDIX A AUDIT AND RISK COMMITTEE CHARTER	A-1



**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 2007 Annual Meeting of Stockholders or any adjournment or adjournments thereof.

The Annual Meeting of Stockholders 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, 2007, 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) 842-5445.

This Proxy Statement and the accompanying form of proxy are first being sent to stockholders of record on or about March 5, 2007. A copy of M&T Bank Corporation's Annual Report for 2006, including financial statements, has either previously been delivered or accompanies this Proxy Statement, but is not part of the proxy solicitation materials.

**VOTING RIGHTS**

Stockholders of record at 5:00 p.m., Eastern Standard Time, on February 28, 2007 are entitled to vote at the Annual Meeting. At that time, M&T Bank Corporation had outstanding 109,556,206 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 stockholder 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 stockholders by use of a control number and allow stockholders 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 stockholder 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 stockholder in person at the Annual Meeting.

Proxies will be voted in accordance with the stockholder'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** and in favor of ratifying the appointment of PricewaterhouseCoopers LLP as the independent public accountant of M&T Bank Corporation for the year ending December 31, 2007.

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.

The vote of a plurality of the shares of Common Stock present or represented at the meeting is required for the election of directors, assuming a quorum is present or represented at the meeting. If, however, a director does not receive a

majority of the votes cast (which includes votes to withhold but excludes abstentions), that director would be required to tender his or her resignation to the Board of Directors for consideration in accordance with the bylaws of M&T Bank Corporation.

The vote of a majority of the votes cast at the meeting is required to ratify the appointment of PricewaterhouseCoopers LLP as the independent public accountant of M&T Bank Corporation for the year ending December 31, 2007, assuming a quorum is present or represented at the meeting. An abstention with respect to the ratification of PricewaterhouseCoopers LLP as the independent public accountant of M&T Bank Corporation will not constitute a vote cast and therefore will not affect the outcome of the vote on the ratification of PricewaterhouseCoopers LLP as the independent public accountant of M&T Bank Corporation.

Broker non-votes will not constitute votes cast for purposes of determining, and therefore will have no effect on, the outcome of the vote for the election of directors or the ratification of PricewaterhouseCoopers LLP as the independent public accountant of M&T Bank Corporation.

#### **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 28, 2007.

<b>Name and address of beneficial owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of class</b>
<b>Allied Irish Banks, p.l.c.</b> Bankcentre, Ballsbridge Dublin 4, Ireland	26,700,000(1)	24.37%
<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	4.12%
Interlaken Foundation 2214 Massachusetts Ave., N.W. Washington, D.C. 20008	85,270	less than 1%
St. Simon Charitable Foundation 2214 Massachusetts Ave., N.W. Washington, D.C. 20008	173,607	less than 1%
Roche Foundation One M&T Plaza, 19th floor Buffalo, NY 14203	91,383	less than 1%
West Ferry Foundation One M&T Plaza, 19th floor Buffalo, NY 14203	177,480	less than 1%
Elisabeth Roche Wilmers One M&T Plaza, 19th floor Buffalo, NY 14203	502,610	less than 1%
Robert G. Wilmers One M&T Plaza, 19th floor Buffalo, NY 14203	5,088,572	4.62%

Edgar Filing: M&T BANK CORP - Form DEF 14A

Group Total		10,631,382(2)	9.18%
<b>Berkshire Hathaway Inc.</b>	1440 Kiewit Plaza Omaha, NE 68131	6,708,760(3)	6.12%

2

---

- (1) Allied Irish Banks, p.l.c. ( AIB ) has filed with the U.S. Securities and Exchange Commission ( SEC ) a Schedule 13D reporting that it is the beneficial owner of in excess of 5% of the outstanding shares of Common Stock and that it has sole voting and dispositive power with respect to the indicated shares.
  
- (2) The members of this group have jointly filed with the 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, he 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 he 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 he 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, 400,000 shares owned by a limited liability company of which he is the sole member, and 470,000 shares subject to options granted under the M&T Bank Corporation 1983 Stock Option Plan (the 1983 Stock Option Plan ) and the M&T Bank Corporation 2001 Stock Option Plan (the 2001 Stock Option Plan ) which are currently exercisable or are exercisable within 60 days after February 28, 2007 and which were deemed to be outstanding for purposes of

calculating the percentage of outstanding shares beneficially owned by Mr. Wilmers and the group. See also the footnotes applicable to Mr. Wilmers in the table set forth under the caption STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS.

- (3) Warren E. Buffett, Berkshire Hathaway Inc., National Indemnity Company, OBH, Inc., National Fire and Marine Insurance Company, GEICO Corporation and Government Employees Insurance Company have jointly filed with the SEC a Schedule 13G, as amended, reporting that they are the beneficial owners of in excess of 5% of the outstanding shares of Common Stock

and that they  
have shared  
voting and  
dispositive  
power with  
respect to the  
indicated shares.

M&T Bank Corporation is the sponsor of various employee benefit plans that hold an aggregate amount of 2,904,021 shares of Common Stock as of February 28, 2007, of which its principal banking subsidiary, Manufacturers and Traders Trust Company ( M&T Bank ), has sole voting authority over 327,923 of such shares. The remaining 2,576,098 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 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 (5) in the table set forth under the caption STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS.

## **ELECTION OF DIRECTORS**

Shares represented by properly executed proxies will be voted, unless such authority is withheld, for the election as directors of M&T Bank Corporation of the following 20 persons recommended by the Board of Directors, to hold office until the 2008 Annual Meeting of Stockholders and until their successors have been elected and qualified. Each of the nominees listed below was elected at the 2006 Annual Meeting of Stockholders, except for Mr. Czarnecki, who was elected as a director effective January 1, 2007.

In accordance with its rights under the Agreement and Plan of Reorganization dated September 26, 2002 by and among M&T Bank Corporation, AIB and Allfirst Financial Inc. ( Allfirst ), pursuant to which M&T Bank Corporation acquired Allfirst on April 1, 2003, AIB has designated Michael D. Buckley, Colm E. Doherty, Richard G. King and Eugene J. Sheehy (the AIB Designees ) as nominees to stand for election as directors of M&T Bank Corporation. 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. In the event that any of the AIB Designees are unable to serve as directors for any reason, AIB has the right to designate replacements and the shares represented by the proxies will be voted for such designee or designees.

The principal occupation of each of the nominees for the last five years is listed below. The information with respect to the nominees is as of February 28, 2007, and includes each nominee s affiliations with M&T Bank Corporation s subsidiary banks, M&T Bank and M&T Bank, National Association ( M&T Bank, N.A. ), and with M&T Bank s principal operating subsidiaries.

### **NOMINEES FOR DIRECTOR**

#### **BRENT D. BAIRD is 68, is a member of the Executive and the Nomination, Compensation and Governance Committees and has been a director since 1983.**

Mr. Baird is a private investor. 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 Division. He is president of First Carolina Investors, Inc., a non-diversified investment company. Mr. Baird is also a director of Merchants Group, Inc. and Todd Shipyards Corporation.

#### **ROBERT J. BENNETT is 65, is a member of the Executive Committee and has been a director since 1998.**

Mr. Bennett is a director of M&T Bank and a member of its Executive and Trust and Investment Committees. He is a member of M&T Bank s Directors Advisory Council-Syracuse Division. Mr. Bennett served as chairman of the board of M&T Bank Corporation from April 1, 1998 until his retirement on July 18, 2000. He was chairman of the board, president and chief executive officer of ONBANCorp, Inc. and its main bank subsidiary from May 1989 until M&T Bank Corporation s acquisition of ONBANCorp, Inc. on April 1, 1998. Mr. Bennett is a private investor, a principal of Wooded Valley Estates, LLC II, and is a director of Farmers and Traders Life Insurance Company, Welch Allyn Holdings, Inc., and Hand Held Products, Inc.

**C. ANGELA BONTEMPO is 66, is a member and the chair of the Audit and Risk Committee and has been a director since 1991.**

Ms. Bontempo is the president, chief executive officer and a director of Saint Vincent Health System, located in Erie, Pennsylvania. From 1998 to June 2001, she was president and chief executive officer of Bryant & Stratton College, a system of 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 is a director of Bryant & Stratton College, the Pennsylvania Catholic Health Association, the Vantage Holding Group, LLC, and a board member of Healthcare Association of Pennsylvania.

**ROBERT T. BRADY is 66, is a member of the Nomination, Compensation and Governance Committee and has been a director since 1994.**

Mr. Brady is chairman of the board of directors and chief executive officer of Moog Inc., a worldwide manufacturer of control systems and components for aircraft, satellites and automated machinery. He is a director of M&T Bank.

Mr. Brady is a director of Seneca Foods Corporation, National Fuel Gas Company and Astronics Corporation. He is also a director of the Buffalo Niagara Partnership, a director of the Albright-Knox Art Gallery and serves as a trustee of the University at Buffalo Foundation, Inc.

**MICHAEL D. BUCKLEY is 62, is a member of the Executive and Nomination, Compensation and Governance Committees and has been a director since 2003.**

Mr. Buckley retired as group chief executive and as a director of Allied Irish Banks, p.l.c. on June 30, 2005. He was a director of Allied Irish Banks, p.l.c. since 1995. Mr. Buckley was a former managing director of the AIB Poland Division and of the AIB Capital Markets Division. He is a director of M&T Bank and a member of its Executive and Trust and Investment Committees. Mr. Buckley is also a director of DCC plc, a business support services company quoted on the Dublin and London stock exchanges. He chairs a group which advises the Irish government on its enterprise agenda. Mr. Buckley is a senior advisor to a number of privately-held companies and sits on the board of the Irish Chamber Orchestra.

**T. JEFFERSON CUNNINGHAM III is 64 and has been a director since 2001.**

Mr. Cunningham is a director of M&T Bank, a member of M&T Bank's Community Reinvestment Act Committee and a member and the chairman of M&T Bank's Directors Advisory Council-Hudson Valley Division. He assumed his 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. From 1994 through February 9, 2001, Mr. Cunningham 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 chairman and chief executive officer of Magnolia Capital Management, Ltd., a trustee of Boscobel Restoration, Inc., a trustee of Open Space Institute, an advisory director of the Hudson River Valley Greenway Communities Council, and a member of the management council of the Hudson Valley Economic Development Corp.

**MARK J. CZARNECKI is 51 and has been a director since 2007.**

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 an executive vice president and a director of M&T Bank, N.A., a director of the MTB Group of Funds and a director and officer of a number of principal subsidiaries of M&T Bank. He serves as chairman of the board of trustees of M&T Bank's partner school, Westminster Community Charter School, and is a trustee of the University at Buffalo Council.

**COLM E. DOHERTY is 48 and has been a director since 2005.**

Mr. Doherty is the managing director of AIB Capital Markets plc and has been a director of Allied Irish Banks, p.l.c. since 2003. He is a director of M&T Bank. Mr. Doherty is a member of the board of Allied Energy Holdings, Commerzbank Europe and the Worldwide Opportunity Fund.

**RICHARD E. GARMAN is 76, is a member of the Executive Committee and has been a director since 1987.**

Mr. Garman is a former president of R&P Oak Hill, LLC, a real estate company, former president of Newbery Alaska, Inc., an electrical contractor, and former managing partner of R.E.G. LLC, a private investment company. Prior to July 19, 2000, he was president and chief executive officer of A.B.C. Paving Co., Inc. and Buffalo Crushed Stone, Inc. Mr. Garman is a director of M&T Bank and a member of its Executive and Trust and Investment Committees. He is also a director of the Buffalo Niagara Partnership and the Greater Frontier Council of the Boy Scouts of America.

**DANIEL R. HAWBAKER is 67 and has been a director since 2000.**

Mr. Hawbaker is the president and chief executive officer of Glenn O. Hawbaker, Inc., a heavy construction services and products company located in State College, Pennsylvania. He is a director of M&T Bank and a member of its Community Reinvestment Act Committee. Mr. Hawbaker had served as a director of Keystone Financial Bank, N.A. and its predecessor from 1989 through M&T Bank Corporation's acquisition of Keystone Financial Inc. (Keystone) on October 6, 2000.

**PATRICK W.E. HODGSON is 66, is a member of the Audit and Risk Committee and has been a director since 1987.**

Mr. Hodgson is president of Cinnamon Investments Limited, a private investment company with real estate and securities holdings. He is a director and chairman of the board of Todd Shipyards Corporation. Mr. Hodgson is a director and a member of the Examining Committee of M&T Bank. He is a director of First Carolina Investors, Inc.

**RICHARD G. KING is 62, is a member of the Audit and Risk Committee and has been a director since 2000.**

Mr. King is president, chief operating officer and a director of Utz Quality Foods, Inc., a manufacturer and distributor of salted snack foods located in Hanover, Pennsylvania. He is a director of M&T Bank and a member of its Examining Committee. Mr. King had served as a director of Keystone from 1997 and as director of Keystone Financial Bank, N.A. from 1999 through M&T Bank Corporation's acquisition of Keystone. He is also a director of Hanover Lantern, Inc. and High Industries, Inc.

**REGINALD B. NEWMAN, II is 69, is a member of the Audit and Risk Committee and has been a director since 1998.**

Mr. Newman is chairman of the board of NOCO Energy Corp., a distributor of petroleum products based in Buffalo, New York. He is a director and member of the Examining Committee of M&T Bank. Mr. Newman is a

director of Dunn Tire LLC and Taylor Devices, Inc. and a director and chairman of Rand Capital Corp. He also serves as a trustee and chairman of the University at Buffalo Foundation, Inc.

**JORGE G. PEREIRA is 73 and has been a director since 1982. He is the 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 is a private investor. He is a vice chairman of the board and a director of M&T Bank. Mr. Pereira also serves as the lead outside director of the board 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 without management.

**MICHAEL P. PINTO is 51 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 M&T Bank, N.A. He is also a director and officer of a number of principal subsidiaries of M&T Bank. Mr. Pinto joined M&T Bank in 1985 as an executive associate. He is a member of the board of trustees of Mercy Health Services, Inc. and a member of the board of directors of the Economic Alliance of Greater Baltimore.

**ROBERT E. SADLER, JR. is 61 and has been a director since 1999. He is a vice chairman of the board of M&T Bank Corporation.**

Mr. Sadler is a vice chairman of the board of M&T Bank. Prior 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. and Security Mutual Life Insurance Company of New York.

**EUGENE J. SHEEHY is 52 and has been a director since 2003.**

Mr. Sheehy is the group chief executive of Allied Irish Banks, p.l.c. and has been a director since 2005. He is a director of M&T Bank. From April 1, 2003 until April 1, 2005, Mr. Sheehy was the chairman and chief executive officer of M&T Bank's Mid-Atlantic Division. Prior to April 1, 2003, he served as chief executive officer of AIB's USA Division from March 14, 2002 and chairman of the board of Allfirst from April 30, 2002. Mr. Sheehy also served as president and chief executive officer of Allfirst Bank from July 31, 2002 through the date of the Allfirst acquisition. Prior to March 14, 2002, Mr. Sheehy was the managing director of AIB Bank Republic of Ireland.

**STEPHEN G. SHEETZ is 59 and has been a director since 2000.**

Mr. Sheetz is chairman of Sheetz, Inc., the owner of a chain of convenience stores operating in six Mid-Atlantic and northeastern states. He is a director of M&T Bank and a member of its Community Reinvestment Act Committee. Mr. Sheetz had served as a director of Keystone Financial Bank, N.A. and its predecessor from 1984 through M&T Bank Corporation's acquisition of Keystone. He is also a director of QuikTrip Corporation and Eat n Park Restaurants.

**HERBERT L. WASHINGTON is 56, is a member of the Audit and Risk Committee and has been a director since 1996.**

Mr. Washington is president of H.L.W. Fast Track, Inc., the owner and operator of twenty-one McDonald's Restaurants located in Ohio and Pennsylvania. He is also the owner of Syracuse Minority Television, Inc.

Mr. Washington is a director and a member of the Examining Committee of M&T Bank. He is a member of the board of directors of the Youngstown Chamber of Commerce.

**ROBERT G. WILMERS is 72 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. He is a director of Allied Irish Banks, p.l.c.

Mr. Wilmers is also a director of The Business Council of New York State, Inc., the Financial Services Roundtable and the Andy Warhol Foundation.

**The Board of Directors recommends a vote FOR the election of all 20 nominees.**

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



**PROPOSAL TO RATIFY THE APPOINTMENT OF PRICEWATERHOUSE-COOPERS LLP AS THE INDEPENDENT PUBLIC ACCOUNTANT OF M&T BANK CORPORATION**

On February 20, 2007, the Audit and Risk Committee selected PricewaterhouseCoopers LLP, certified public accountants, as the principal independent public accountant of M&T Bank Corporation for the year 2007, a capacity in which it has served since 1984.

Although stockholder approval of the selection of the independent public accountant is not required by law, M&T Bank Corporation has determined that it is desirable to request that the stockholders ratify the Audit and Risk Committee's appointment of PricewaterhouseCoopers LLP as M&T Bank Corporation's independent public accountant for the year ending December 31, 2007. In the event the stockholders 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 stockholders' best interests. Even if the appointment is ratified, the Audit and Risk Committee, in its discretion, may direct the appointment of a different independent public accountant 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 stockholders' best interests.

Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting of Stockholders. 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 Pricewaterhouse-Coopers LLP for professional services rendered during 2006 and 2005, which fees totaled \$2,657,485 and \$2,272,480, respectively, and are categorized in accordance with the SEC's rules on auditor independence as follows:

**Audit Fees.** Fees billed by Pricewaterhouse-Coopers 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, 2006 and 2005, for its review of M&T Bank Corporation's quarterly consolidated financial statements during 2006 and 2005, and for other audit and attest services in connection with statutory and regulatory filings as of and for the years ended December 31, 2006 and 2005, totaled \$2,117,200 and \$1,873,445, respectively.

**Audit-Related Fees.** Fees billed by PricewaterhouseCoopers LLP for audit-related services, including audits of employee benefit plans and other attestation services that are not required by statute or regulation rendered to M&T Bank Corporation totaled \$252,500 and \$294,960 for the years ended December 31, 2006 and 2005, respectively. Of the audit-related fees billed for the years ended December 31, 2006 and 2005, all services were pre-approved by the Audit and Risk Committee.

**Tax Fees.** Fees billed by Pricewaterhouse-Coopers LLP for tax compliance, planning and consulting totaled \$190,425 and \$87,475 for the years ended December 31, 2006 and 2005, respectively. Of the tax fees billed for the years ended December 31, 2006 and 2005, all services were pre-approved by the Audit and Risk Committee.

**All Other Fees.** PricewaterhouseCoopers LLP billed a total of \$97,360 for the year ended December 31, 2006 primarily for certain senior management training programs and for internal audit software licensing fees. PricewaterhouseCoopers LLP also billed a total of \$16,600 for the year ended December 31, 2005 for internal audit software licensing fees. All fees billed in this category for the years ended December 31, 2006 and 2005 were pre-approved by the Audit and Risk Committee.

In addition to the above services, PricewaterhouseCoopers LLP directly billed certain common trust funds sponsored by M&T Bank Corporation a total of \$134,600 and \$124,500 for the years ended December 31, 2006 and 2005, respectively, primarily for audits of annual common trust fund financial statements. 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 2006 and 2005 for financial information systems design and implementation.

**Policy on Audit and Risk Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Public Accountant.** 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 public accountant. 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 public accountant and management are required to periodically report to the Audit and Risk Committee regarding the extent of services provided by the independent public accountant 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 selecting PricewaterhouseCoopers LLP, the Audit and Risk Committee considered PricewaterhouseCoopers LLP's qualifications as independent public accountants. 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 reputations 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 2006 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 public accountant of M&T Bank Corporation for the year ending December 31, 2007.

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

**STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS**

Direct and indirect ownership of Common Stock by each of the directors, each of the executive officers who are named in the Summary Compensation Table (the Named Executive Officers ), and by all executive officers as a group is set forth in the following table as of February 28, 2007, 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 he or she 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 he or she has the right to acquire the beneficial ownership of the security within 60 days.)

<b>Name of beneficial owner</b>	<b>Number of shares</b>	<b>Percent of class</b>
Brent D. Baird	262,705(1)	(15)
Robert J. Bennett	191,097(2)	(15)
C. Angela Bontempo	4,660(3)	(15)
Robert T. Brady	3,518	(15)
Michael D. Buckley	132(6)	(15)
T. Jefferson Cunningham III	18,273(4) (5)	(15)
Mark J. Czarnecki	225,939(4)	(15)
Colm E. Doherty	0(6)	(15)
Richard E. Garman	260,252(7)	(15)
Daniel R. Hawbaker	5,143(8)	(15)
Patrick W.E. Hodgson	53,707(9)	(15)
Richard G. King	12,043(4) (6)	(15)
Reginald B. Newman, II	5,544(10)	(15)
Jorge G. Pereira	1,705,823(11)	1.56%
Michael P. Pinto	395,964(4) (12)	(15)
Robert E. Sadler, Jr.	568,267(4) (5) (13)	(15)
Eugene J. Sheehy	1,172(6)	(15)
Stephen G. Sheetz	17,041	(15)
Herbert L. Washington	5,741	(15)
Robert G. Wilmers	5,088,572(4) (5) (14)	4.62%
René F. Jones	82,032(4) (5)	(15)
Atwood Collins, III	236,558(4)	(15)
All directors and executive officers as a group (30 persons)	9,767,901(4) (5)	8.76%

(1) Includes 50,000 shares owned by an entity of which Mr. Baird is president and as to which he shares voting and dispositive power.

- (2) Includes 8,670 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.

- (3) Includes 400 shares held by trusts for which Ms. Bontempo is a trustee and in which she has a pecuniary interest and investment power.
- (4) Includes the following shares subject to options granted under
- (a) M&T Bank Corporation's stock option 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 28, 2007:
- Mr. Cunningham 6,800 shares;
  - Mr. Czarnecki 193,578;
  - Mr. King 4,218 shares;
  - Mr. Pinto 351,456 shares;
  - Mr. Sadler 230,000 shares;
  - Mr. Wilmers 470,000 shares;

Mr. Jones  
73,947; Mr.  
Collins 133,810;  
and all directors  
and executive  
officers as a  
group 1,945,413  
shares.

- (5) Includes the following shares through participation in the M&T Bank Corporation Retirement Savings Plan (the Retirement Savings Plan ):  
Mr. Cunningham 337 shares;  
Mr. Sadler 19,444 shares;  
Mr. Wilmers 41,363 shares;  
Mr. Jones 4,464 shares; and all directors and executive officers as a group 80,387 shares.  
Such individuals retain voting and investment power over their respective shares in the Retirement Savings Plan.

- (6) Such person has been designated by AIB to serve as a director of M&T Bank Corporation pursuant to contractual rights. AIB owns 26,700,000 shares, beneficial ownership of

which is  
disclaimed by  
such person.

- (7) Includes 27,014 shares owned by the Garman Family Foundation, a charitable foundation formed by Mr. Garman. Mr. Garman is the president of the Garman Family Foundation and holds voting and dispositive power over the shares owned by it.
- (8) Includes 742 shares owned by a corporation controlled by Mr. Hawbaker.
- (9) 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.
- (10) Includes 1,230 shares held by a close relative of Mr. Newman for which beneficial ownership is disclaimed.

(11)

Includes  
1,704,000 shares  
owned by  
corporations  
controlled by  
Mr. Pereira.

(12) Includes 2,695  
shares held by a  
close relative of  
Mr. Pinto for  
which beneficial  
ownership is  
disclaimed.

(13) Includes 11,500  
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 81,000  
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.

(14) See footnote  
(2) to the table set



forth under the  
caption

PRINCIPAL  
BENEFICIAL  
OWNERS OF  
SHARES.

(15) 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 are required to report their beneficial ownership of the Common Stock and any changes in that beneficial ownership to the SEC and the New York Stock Exchange. M&T Bank Corporation believes that these filing requirements were satisfied by its directors and officers during 2006, except for Mr. Sheetz, who had one late filing (by one day) with respect to a distribution of shares of Common Stock from the 1992 Keystone Financial Inc. Directors Fees Plan (the Keystone Directors Fees Plan) due to a processing delay caused by the closure of the markets on January 2, 2007. 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 forms were required to be filed under the applicable rules of the SEC.

12

---

## COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

### Compensation Discussion and Analysis

**Overview of M&T Bank Corporation.** M&T Bank Corporation (for purposes of this Compensation Discussion and Analysis, also referred to as the Company) is a bank holding company that offers a wide range of commercial banking, trust and investment services to its customers. As of December 31, 2006, the company had consolidated total assets of \$57.1 billion, deposits of \$39.9 billion and stockholders' equity of \$6.3 billion, and employed 11,904 full-time and 1,448 part-time employees.

M&T Bank Corporation's executive officers are the members of its Management Group. The Board of Directors has determined that the members of Management Group are the only persons, other than directors, who have the authority to participate in major policy-making functions of the company and its direct and indirect subsidiaries. As of December 31, 2006, M&T Bank Corporation had fourteen executive officers.

For purposes of this proxy statement, the Company determined that it was appropriate to include Robert G. Wilmers as a Named Executive Officer because he was appointed Chief Executive Officer of M&T Bank Corporation as of January 1, 2007 as a result of the retirement of Robert E. Sadler, Jr. as Chief Executive Officer and President on that date.

**Overview and Objectives of Executive Compensation Programs.** The objective of M&T Bank Corporation's compensation programs is to attract, develop and retain executive officers capable of maximizing performance for the benefit of the Company's stockholders. In furtherance of this objective, the Company has adopted a compensation strategy for the Named Executive Officers that provides base salaries that are below the median of the market, while emphasizing discretionary performance-based variable incentives to provide competitive compensation, such as cash bonuses that reward good performance and the achievement of annual, shorter-term objectives, and stock-based compensation that rewards longer-term contributions to the Company's success and aligns the interests of the Named Executive Officers with those of the Company's stockholders generally. The Company has not entered into employment agreements or separate change-of-control or severance agreements with the Named Executive Officers in connection with the Company's compensation program because the Company does not favor treatment of the Named Executive Officers in those circumstances beyond that provided for employees generally.

M&T Bank Corporation periodically, but at least annually, compares compensation levels for the Named Executive Officers and financial performance to a group of commercial banking institutions of similar size and business makeup (the Comparative Banks). The Comparative Banks group is large enough to provide a reasonable basis of comparison, but can change each year due to acquisitions or growth. For 2006, M&T Bank Corporation selected for this purpose twelve commercial banking companies,<sup>1</sup> all twelve of which were included in the KBW 50 Index compiled by Keefe, Bruyette & Woods, Inc. in 2006.

In both 2005 and 2006 the Nomination, Compensation and Governance Committee

1 The Comparative Banks for 2006 were: US Bancorp, BB&T Corp., Fifth Third Bancorp, Regions Financial Corp., Comerica, Inc., AmSouth Bancorporation, UnionBanCal Corp., Marshall & Ilsley Corp.,

Zions  
Bancorporation,  
Commerce  
Bancorp, Inc.,  
Compass  
Bancshares, Inc.  
and Mercantile  
Bankshares  
Corp. The  
Comparative  
Banks for 2006  
were different  
from those in  
2005 in that  
North Fork  
Bancorporation  
and Hibernia  
Corporation  
were removed  
due to  
acquisition and  
AmSouth  
Bancorporation,  
UnionBanCal  
Corp., and  
Mercantile  
Bankshares  
Corp. were  
added.

retained the services of Mercer Human Resource Consulting, a human resources consulting firm, to perform a competitive review of the Named Executive Officers' compensation. This review included a review of base salaries, annual incentives and long-term incentives, including stock-based compensation. For the Named Executive Officers, the review compared their compensation to the compensation disclosed in the 2006 proxy statements of the Comparative Banks for their Named Executive Officers. Such compensation information was considered in relation to a comparison of the Company's performance on certain key performance metrics, including total shareholder return, over both short- and long-term periods to the Comparative Banks' performance on the same performance metrics over the same periods. For this purpose, the compensation of the Named Executive Officers was generally compared to that of the named executive officers listed in the 2006 proxy statements of the Comparative Banks having the same or substantially similar responsibilities. Throughout this Compensation Discussion and Analysis, the proxy information from the Comparative Banks is referred to as the Market Compensation Information.

In determining annual cash incentives and stock-based compensation, management and the Nomination, Compensation and Governance Committee believe that evaluating the performance of M&T Bank Corporation against its goals and the Comparative Banks after the completion of a year provides a better opportunity to align awards with performance instead of establishing formulas for those awards before the year begins. The Nomination, Compensation and Governance Committee does establish goals and objectives at the beginning of each year ( Goals and Objectives ) to evaluate the performance of the Chief Executive Officer and the other Named Executive Officers, but the amount of annual cash incentive or stock-based compensation awarded to the Chief Executive Officer or another Named Executive Officer is not directly tied to a defined level of performance. Three financial goals established within the Goals and Objectives are earnings per share growth, return on assets, and return on equity. In evaluating these three financial measures, the Nomination, Compensation and Governance Committee considers performance in the most recent fiscal year and over the last three years. Other performance measures considered within the Goals and Objectives, but not formally weighted, include (but are not limited to) composition of earnings, asset quality relative to the banking industry, responsiveness to the economic environment, achievement of business plans and cumulative stockholder return. Generally, the Company strives for performance relative to the performance of the Comparative Banks to be at or above the median on a short-term basis and consistently above the median on a long-term basis. The Company evaluates the Goals and Objectives on the basis of generally accepted accounting principles, or GAAP, and on a net operating basis, which allows for the impact of merger-related expenses and goodwill and core deposit and other intangible assets to be considered.

Based upon the Market Compensation Information, and with consideration of each individual's performance, scope of responsibilities and marketability, the Chief Executive Officer and the Executive Vice President of Human Resources develop compensation recommendations with respect to each element of compensation for each Named Executive Officer (other than the Chief Executive Officer). Those recommendations are determined within the principles described below with respect to each of the compensation elements and presented to the Nomination, Compensation and Governance Committee in January of each year. The Nomination, Compensation and Governance Committee reviews the recommendations, makes changes as it deems appropriate and approves each Named Executive Officer's compensation package. For the Chief Executive Officer, the Nomination, Compensation and Governance Committee considers the Market Compensation Information, the company's performance over the prior year

and the long-term and various other factors, and determines and approves an appropriate level of compensation. For the Named Executive Officers, their base salaries and total cash compensation (base salary plus annual cash incentive) generally have been below the median of the Market Compensation Information, and their total compensation (total cash compensation plus stock-based compensation or other long-term incentives) approximately at the median.

**Salaries.** Base salaries of the Named Executive Officers are determined by the Nomination, Compensation and Governance Committee based on the scope of responsibilities, Market Compensation Information, assessment of individual performance and expected future contributions. In line with the Company's strategy of emphasizing variable pay, particularly long-term stock-based compensation, salaries of the Named Executive Officers have generally been set below the median of the Market Compensation Information, while certain other factors, including the unique responsibilities and performance of each Named Executive Officer, are also considered. In 2006, Mr. Sadler's base salary was not increased because his salary had been increased significantly in June 2005 when he was named Chief Executive Officer.

**Annual Cash Incentives.** The Named Executive Officers participate in the M&T Bank Corporation Annual Executive Incentive Plan (the Annual Executive Incentive Plan), which the Nomination, Compensation and Governance Committee adopted, effective January 1, 1993. The Annual Executive Incentive Plan provides for discretionary grants of cash awards to the Named Executive Officers as determined by the Nomination, Compensation and Governance Committee.

For 2006, the Company's performance was better than or met all but one of the three financial goals within the Goals and Objectives for 2006. In addition, results were generally better than the median performance of the Comparative Banks, in some cases significantly, on measures such as earnings per share growth on a net operating basis, and the assessment of performance on credit quality and expense control. Thus, it was the opinion of the Nomination, Compensation and Governance Committee that management was successful in managing the Company during 2006 despite a somewhat difficult economic environment. As a result, annual cash incentives were awarded in 2007 to the Named Executive Officers with respect to performance in 2006 as shown in the Summary Compensation Table. The awards to Messrs. Pinto and Collins also reflect their efforts in overseeing the significant growth of the company's business in the Mid-Atlantic region, and Mr. Czarnecki's award also reflects the additional responsibilities that he undertook during 2006. Nonetheless, these awards, in combination with base salaries as of December 31, 2006, resulted in total cash compensation for all of the Named Executive Officers below the median of the Market Compensation Information. As described in more detail below, this level of total cash compensation places more emphasis on stock-based compensation awards for Named Executive Officers, which the Company believes provides the most effective means for to align the interests of management with those of the Company's stockholders.

**Stock-Based Compensation.** Consistent with the objective of attracting, developing and retaining executive officers capable of maximizing M&T Bank Corporation's performance for the benefit of the Company's stockholders, the Company provides potentially significant long-term incentive opportunities to its executive officers through discretionary grants of stock-based compensation under the M&T Bank Corporation 2005 Incentive Compensation Plan (the 2005 Incentive Compensation Plan). In 2003, the Company began recognizing stock-based compensation as an expense in its financial statements, before such recognition was required under GAAP. The Company believes that the recognition of

that expense not only improves reporting transparency, but also further aligns the interests of management with the interests of the Company's stockholders since that expense impacts the three financial goals within the Goals and Objectives that are considered in awarding stock-based compensation. The 2005 Incentive Compensation Plan permits the Nomination, Compensation and Governance Committee to award stock-based compensation in the form of stock options, restricted stock or performance shares. However, through 2006, the Company awarded all stock-based compensation in the form of stock options. Management and the Nomination, Compensation and Governance Committee believe stock options are an effective long-term incentive because a Named Executive Officer can profit only if the value of the Common Stock increases. In making these grants, the Nomination, Compensation and Governance Committee assesses:

the Company's past performance compared to the Goals and Objectives and future prospects,

the period during which a Named Executive Officer has been in a key position with us,

dilution,

the market value of the Common Stock,

individual performance, and

Market Compensation Information and long-term incentive compensation practices among the Comparative Banks.

The Nomination, Compensation and Governance Committee determines the dollar value of stock options to be awarded to the Named Executive Officers at its meeting in January of each year, which is after the public release of earnings results for the prior fiscal year. The number of stock options awarded to the Named Executive Officers is then based on the binomial value of the stock options as of the grant date and the exercise price of those stock options is the closing price of the Common Stock on the grant date.

In addition, the Company utilizes incentive stock options that comply with Section 422 of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), to the maximum extent permitted. To the extent an award of stock options exceeds what may be awarded as an incentive stock option, the balance of the award is made in the form of non-qualified stock options.

Incentive stock options provide potential tax advantages to the Named Executive Officers, compared to non-qualified options, if the shares of Common Stock acquired upon exercise of incentive stock options are held for at least the period required by Section 422 of the Internal Revenue Code. The Company believes that the tax advantages available with incentive stock options increases the likelihood that a Named Executive Officer will hold the stock received upon exercise of a stock option.

The Nomination, Compensation and Governance Committee awarded stock options for 2006 to the Named Executive Officers in January of that year based on the assessment criteria discussed above. During 2005, M&T Bank Corporation substantially met the three financial goals established by the Nomination, Compensation and Governance Committee within the Goals and Objectives for 2005. In addition, the Nomination, Compensation and Governance Committee determined that performance compared favorably to the performance of the Comparative Banks.

Therefore, in accordance with the Company's compensation objectives, because the total cash compensation for the Named Executive Officers was below the median of the Market Compensation Information, stock option awards for the Named Executive Officers in 2006 were generally above the median of the Market Compensation Information. Messrs. Sadler and Wilmers, however, declined to be considered for any stock option awards. In its determination to honor the request of Messrs. Sadler and Wilmers to not be considered for stock option awards, the

Nomination, Compensation and Governance Committee determined that, given Messrs. Sadler and Wilmers ownership of Common Stock, their interests were already sufficiently aligned with those of the Company's stockholders. These awards, in combination with base salaries as of December 31, 2006, and the annual cash incentives awarded for 2006, result in total compensation for all of the Named Executive Officers that was either at or below the median of the Market Compensation Information.

As stated above, the Company believes strongly that stock option awards align executive officers' financial interests with stockholders' interests. However, the Company also recognizes that utilizing some restricted stock in its compensation program may enhance the value of the overall program. The use of restricted stock balances the manner in which an executive officer can be rewarded through stock-based compensation, helps the Company retain executive officers who would rather receive restricted stock than stock options, and responds to the increased use of restricted stock by other companies, including several of the Comparative Banks. We also believe that the overall value of the Company's compensation program may be further enhanced if executive officers were given a choice between awards of stock options and restricted stock, because each executive officer would then have some ability to design a compensation program that has the most appeal to him or her. Consequently, effective for the awards in January 2007, the Company provided its executive officers a choice between receiving any award that may be made to them wholly in the form of stock options or to receive up to 50% of the value of the award in the form of restricted stock with the balance in the form of stock options. The restrictions on awards of restricted stock will lapse based on the same service-based vesting schedule used for stock options. To the extent an executive officer elects to receive restricted stock, that portion of the award will be reduced by 25% in determining the number of restricted shares awarded. The restricted stock will receive dividends that are paid and will have voting rights during the restricted period. Executive officers were required to make their election during October 2006 with respect to any award they received in January 2007.

**Perquisites and Other Personal Benefits.** Generally, the Company provides modest perquisites or personal benefits, and only with respect to benefits or services that are designed to assist a Named Executive Officer in being productive and focused on their duties, and which management and the Nomination, Compensation and Governance Committee believe are reasonable and consistent with the Company's overall compensation program. Management and the Nomination, Compensation and Governance Committee periodically review the levels of perquisites or personal benefits provided to Named Executive Officers. The Nomination, Compensation and Governance Committee has determined it appropriate to pay for certain living expenses of Mr. Wilmers for one of the two cities in which we require him to work. In addition, the Nomination, Compensation and Governance Committee determined it appropriate to pay housing and moving expenses for Mr. Pinto during his relocation to Baltimore, Maryland. Given the importance of developing business relationships to our success, our Named Executive Officers are also reimbursed for initiation fees and dues they incur for club memberships deemed necessary for business purposes.

**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. The Company has also agreed, on a contractual basis, to pay a supplemental retirement benefit to each of Messrs. Sadler and Collins. These arrangements were entered into when these executive officers were recruited to join M&T Bank Corporation in order to attract them to their positions with us. In addition, the Company maintains non-qualified defined benefit and defined contribution retirement plans to supplement retirement benefits for the Named Executive Officers because of the limitations placed on benefits under tax-qualified plans for highly compensated employees. However, in recognition of the financial benefits the Named Executive

Officers have and may accumulate from the stock-based compensation awarded to them, the non-qualified plans only provide benefits on compensation up to \$350,000, increased from \$235,840 effective January 1, 2006. The non-qualified plans and the contractual supplemental retirement obligations are not funded, except as benefits are actually paid to executive officers. Additional information regarding these retirement plans and arrangements is provided in this proxy statement under the discussion of 2006 Pension Benefits and 2006 Nonqualified Deferred Compensation Plans.

The Company does not believe it is appropriate to provide the Named Executive Officers with severance packages beyond what is typical to assist a senior manager to transition to another position. Consequently, the Named Executive Officers are only eligible to receive severance benefits in the event of a qualifying event under the M&T Bank Corporation Severance Pay Plan (the Severance Pay Plan) in an amount which is equivalent to at least one times their annual base salary, but not more than twice their annual base salary, and health benefit coverage for the severance period. Other than benefits that are generally available to employees, the Company typically does not maintain any individual severance or change-of-control arrangements and have none at this time. The Company's various stock-based compensation plans provide that, upon a change of control, any employee, including the Named Executive Officers, would become fully vested in any outstanding awards that were not already vested. The Company has elected to provide such acceleration because of a belief that the principal purpose of providing executive officers with equity incentives is to align their interests with those of the Company's stockholders and that this alignment should be enhanced, not weakened, in the context of a change-of-control. Additional information about the Severance Pay Plan and the impact of a change of control under the Company's stock-based compensation plans is provided in this proxy statement under the heading Severance and Change-of-Control.

**Tax Matters.** Section 162(m) of the Internal Revenue Code generally denies a deduction to any publicly held corporation for compensation paid to its chief executive officer and its four other highest-paid executive officers to the extent that any such individual's compensation exceeds \$1 million, subject to certain exceptions, including one for performance-based compensation. Generally, the Nomination, Compensation and Governance Committee seeks to maximize executive compensation deductions for federal income tax purposes. However, the discretionary nature of our cash incentive awards may result in an amount of compensation not being deductible under Section 162(m) of the Internal Revenue Code, but management and the Nomination, Compensation and Governance Committee believe that there may be circumstances in which the provision of compensation that is not fully deductible but provides a stronger alignment of awards with performance achieved through a discretionary process warrants the expense. In 2006, Mr. Sadler received compensation of \$297,163 that was nondeductible under Section 162(m) of the Internal Revenue Code.

In October 2004, the American Jobs Creation Act of 2004 was enacted, changing the tax rules applicable to nonqualified deferred compensation arrangements. While the final regulations have not yet become effective, management and the Nomination, Compensation and Governance Committee believe that the Company is operating in good faith compliance with the statutory provisions which became effective January 1, 2005. Additional information about the Company's nonqualified deferred compensation arrangements is provided in this proxy statement under the heading Nonqualified Deferred Compensation.



**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.

This report was adopted on February 20, 2007 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

**Summary Compensation Table.** The following table contains information concerning the compensation earned by M&T Bank Corporation's Named Executive Officers in the fiscal year ended December 31, 2006.

**Summary Compensation Table**

Name and Principal Position (1)	Year	Salary (\$)	Bonus (\$)(2)	Awards (\$)(3)	Awards (\$)(4)	Change in Pension Value Non- and Equity Incentive Plan Compensation Earnings (\$)(5)	Change in Pension Value Non- and Equity Incentive Plan Compensation Earnings (\$)(5)	All Other Compensation (\$)(6)	Total (\$)
<b>Robert E. Sadler, Jr.</b> President and Chief Executive Officer of M&T Bank Corporation and M&T Bank	2006	800,000	650,000	0	0	0	426,069	51,812(6)	1,927,881
<b>René F. Jones</b> Executive Vice President and Chief Financial Officer of M&T Bank Corporation and M&T Bank	2006	232,308	275,000	0	351,813	0	1,585	43,108(7)	903,814
<b>Michael P. Pinto</b> Vice Chairman of the Board, and Chairman and Chief Executive Officer of the Mid-Atlantic Division of M&T Bank; Executive Vice President of M&T Bank Corporation	2006	450,000	450,000	0	1,115,157	0	35,983	250,005(8)	2,301,145
<b>Atwood Collins, III</b> President and Chief Operating Officer of the Mid-Atlantic Division and Executive Vice President of M&T Bank; Executive Vice President of M&T Bank Corporation	2006	283,846	375,000	0	1,114,774	0	161,048	23,522(9)	1,958,190
<b>Mark J. Czarnecki</b> Executive Vice President of M&T Bank Corporation and M&T Bank	2006	400,962	450,000	0	772,121	0	39,793	36,026(10)	1,698,902
<b>Robert G. Wilmers</b> Chairman of the Board of M&T Bank Corporation and M&T Bank	2006	600,000	550,000	0	0	0	165,195	59,777(11)	1,374,972

- (1) Principal Positions reflect positions held during 2006. Effective as of January 1, 2007, Mr. Sadler retired as President and Chief Executive Officer of M&T Bank Corporation and M&T Bank. His current title is Vice Chairman of the Board of M&T Bank Corporation and M&T Bank. Also effective as of January 1, 2007, Mr. Wilmers assumed the additional title of Chief Executive Officer of M&T Bank Corporation and M&T Bank, while Mr. Pinto assumed the title of Vice Chairman of the Board of M&T Bank Corporation, and Mr. Czarnecki became President of M&T Bank Corporation and M&T Bank.
- (2) Bonuses were earned in 2006 and awarded in 2007.



- (3) The amounts indicated represent the aggregate dollar amount of compensation expense related to stock options awards to each of the Named Executive Officers that was recognized by M&T Bank Corporation during 2006. The determination of this stock option expense is based on the methodology set forth in Note 10 to the Financial Statements of M&T Bank Corporation in its Annual Report on Form 10-K, which was filed with the SEC on February 23, 2007.
- (4) Stock options are expensed over four years using graduated declining percentages of 40%, 30%, 20% and 10%, respectively.
- (5) Includes a \$9,900 contribution in 2006 for each of

the Named Executive Officers by M&T Bank Corporation to the Retirement Savings Plan, a qualified defined contribution plan providing for salary reduction contributions by participants and matching contributions by participating employers. Includes a \$5,850 credit by M&T Bank Corporation under the M&T Bank Corporation Supplemental Retirement Savings Plan (the Supplemental Retirement Savings Plan ) for the benefit of each of the Named Executive Officers. Includes the following insurance premiums paid by M&T Bank Corporation in 2006 in respect of term life insurance for the benefit of the following Named Executive

Officers:

Mr. Sadler

\$2,772;

Mr. Jones

\$1,140;

Mr. Pinto

\$2,622;

Mr. Collins

\$438;

Mr. Czarnecki

\$2,622; and

Mr. Wilmers

\$6,180.

- (6) Perquisites for Mr. Sadler included club membership dues and expenses, tax preparation, parking and meals. No perquisite exceeded the greater of \$25,000 or 10% of the total perquisites provided to Mr. Sadler.
- (7) Perquisites for Mr. Jones included club membership dues and expenses, tax preparation, parking and meals. No perquisite exceeded the greater of \$25,000 or 10% of the total perquisites provided to Mr. Jones.

(8)

Perquisites for Mr. Pinto included club membership dues, tax preparation expenses, parking, meals, expenses associated with an apartment that served as a temporary residence in Baltimore, Maryland, moving expenses associated with relocating to Baltimore, Maryland, and a tax gross-up. Those perquisites exceeding the greater of \$25,000 or 10% of total perquisites provided to Mr. Pinto included the apartment (\$34,334) and moving expenses (\$112,689). In addition, Mr. Pinto had a tax gross-up associated with the relocation expenses in the amount of \$64,266.

- (9) Perquisites for Mr. Collins included club membership dues and



expenses,  
parking and  
meals. No  
perquisite  
exceeded the  
greater of  
\$25,000 or 10%  
of the total  
perquisites  
provided to  
Mr. Collins.

(10) Perquisites for  
Mr. Czarnecki  
included club  
membership  
dues and  
expenses, tax  
preparation,  
parking and  
meals. No  
perquisite  
exceeded the  
greater of  
\$25,000 or 10%  
of the total  
perquisites  
provided to  
Mr. Czarnecki.

(11) 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.

The Summary Compensation Table includes direct, equity and additional compensation. No Named Executive Officer has any employment agreement and, except as otherwise described in this proxy statement, any understanding or arrangement regarding his compensation or employment.

Total cash compensation, as measured by salary and bonus, is based on M&T Bank Corporation's performance as well as employee performance and certain other factors as described in the section entitled Compensation Discussion and Analysis. For the Named Executive Officers, total cash compensation as a percentage of total compensation is as follows: Mr. Sadler 75.2%; Mr. Jones 55.7%; Mr. Pinto 38.5%; Mr. Collins 33.6%; Mr. Czarnecki 50.1%; Mr. Wilmers 83.6%. Other than for Messrs. Sadler and Wilmers who did not receive stock options in 2006, the percentage of total cash compensation to total compensation for the Named Executive Officers indicates the emphasis that is placed on stock-based compensation.

The vesting of stock options occurs on a graduated basis with 10% vesting one year after the grant date, an additional 20% vesting two years after the grant date, an additional 30% vesting three years after the grant date and the remaining 40% vesting four years after the grant date. M&T Bank Corporation's stock-based compensation plans provide for accelerated vesting only in cases of death, disability, retirement or a change-of-control. There were no material modifications to M&T Bank Corporation's stock-based compensation plans, programs or practices within the past year, year except as described in the section entitled "Compensation Discussion and Analysis" with respect to providing executive officers an opportunity to receive a portion of any 2007 equity award they may receive in the form of restricted stock. There were no repricings, extensions of exercise periods or change of vesting or forfeiture conditions. No Named Executive Officer had any equity forfeitures.

**Grants of Plan-Based Awards.** The following table reflects the terms of compensation plan-based awards granted to Named Executive Officers in 2006.

**Grants of Plan-Based Awards**

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or	All Other Option Awards: Number of Securities Underlying	Exercise Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(1)
		Threshold	Target	Maximum	Threshold	Target	Maximum	Units	Options		
Robert E. Sadler, Jr.		0	0	0	0	0	0	0	0	0	0
René F. Jones	1/17/2006	0	0	0	0	0	0	0	13,168	108.93	370,021
Michael P. Pinto	1/17/2006	0	0	0	0	0	0	0	52,314	108.93	1,471,023
Atwood Collins, III	1/17/2006	0	0	0	0	0	0	0	28,292	108.93	795,005
Mark J. Czarnecki	1/17/2006	0	0	0	0	0	0	0	36,225	108.93	1,017,923
Robert G. Wilmers		0	0	0	0	0	0	0	0	0	0

(1) The valuation of stock option awards is based on the methodology set forth in Note 10 to the Financial Statements of M&T Bank Corporation in

its Annual  
Report on Form  
10-K, which  
was filed with  
the SEC on  
February 23,  
2007.

Stock Options granted to the Named Executive Officers in 2006 were under the 2005 Incentive Compensation Plan. As described in the section entitled Compensation Discussion and Analysis, stock options were not awarded to Messrs. Sadler and Wilmers.

Vesting of the stock options granted to the Named Executive Officers in 2006 occurs on a graduated basis with 10% vesting one year after the grant date, an additional 20% vesting two years after the grant date, an additional 30% vesting three years after the grant date and the remaining 40% vesting four years after the grant date. The portion of these options granted in the form of incentive stock options have a ten-year term and will expire on January 17, 2016 whereas the remaining nonqualified stock options have a term of ten years and one day and will expire on January 18, 2016. The 2005 Incentive Compensation Plan allows for accelerated vesting only in cases of death, disability, retirement or a change-of-control.

M&T Bank Corporation determines the value of stock options using the binomial valuation financial measurement. For stock options granted to the Named Executive Officers in 2006, the binomial value was \$28.10 for each option to purchase a share of Common Stock.

No dividends were paid on any stock option awards under the 2005 Incentive Compensation Plan during 2006.

**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, 2006 for the Named Executive Officers.

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

Name	Option Awards				Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Options (#) Unearned	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock (\$)	Awards: Number of Shares, Units or Rights That Have Not Vested (\$)	Equity Incentive Plan Awards: Marked or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Robert E. Sadler, Jr.	75,000	0	0	42.00	1/18/2010	0	0	0	0
	63,767	0	0	65.80	1/16/2011	0	0	0	0
	16,233	0	0	68.31	2/20/2011	0	0	0	0
	75,000	0	0	75.80	1/15/2012	0	0	0	0
René F. Jones	3,000	0	0	44.2063	1/20/2008	0	0	0	0
	5,000	0	0	49.50	1/19/2009	0	0	0	0
	2,410	0	0	42.00	1/18/2010	0	0	0	0
	20,000	0	0	65.80	1/16/2011	0	0	0	0
	15,000	0	0	75.80	1/15/2012	0	0	0	0
	9,000	6,000	0	80.23	1/21/2013	0	0	0	0
	4,496	10,491	0	91.75	1/20/2014	0	0	0	0

Edgar Filing: M&T BANK CORP - Form DEF 14A

1,076	9,690	0	101.80	1/18/2015	0	0	0	0
0	13,168	0	108.93	1/17/2016	0	0	0	0

---

23

Name	Option Awards				Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) (1)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Value of Shares or Units of Stock That Have Not Vested (\$)	Number of Shares or Units of Other Rights That Have Not Vested (\$)	Equity Incentive Plan Awards: Marked or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Michael P. Pinto	3,440	0	0	29.00	1/21/2007	0	0	0	0
	2,260	0	0	44.2063	1/20/2008	0	0	0	0
	45,000	0	0	49.50	1/19/2009	0	0	0	0
	65,000	0	0	42.00	1/18/2010	0	0	0	0
	51,810	0	0	65.80	1/16/2011	0	0	0	0
	13,190	0	0	68.31	2/20/2011	0	0	0	0
	65,000	0	0	75.80	1/15/2012	0	0	0	0
	39,000	26,000	0	80.23	1/21/2013	0	0	0	0
	19,482	45,461	0	91.75	1/20/2014	0	0	0	0
	0	52,314	0	108.93	1/17/2016	0	0	0	0
Atwood Collins, III	31,883	0	0	65.80	1/16/2011	0	0	0	0
	8,117	0	0	68.31	2/20/2011	0	0	0	0
	35,000	0	0	75.80	1/15/2012	0	0	0	0
	21,000	14,000	0	80.23	1/21/2013	0	0	0	0
	10,490	24,479	0	91.75	1/20/2014	0	0	0	0
	0	28,292	0	108.93	1/17/2016	0	0	0	0
Mark J. Czarnecki	22,980	0	0	49.50	1/19/2009	0	0	0	0
	39,854	0	0	65.80	1/16/2011	0	0	0	0
	10,146	0	0	68.31	2/20/2011	0	0	0	0
	45,000	0	0	75.80	1/15/2012	0	0	0	0
	27,000	18,000	0	80.23	1/21/2013	0	0	0	0
	13,488	31,472	0	91.75	1/20/2014	0	0	0	0

Edgar Filing: M&T BANK CORP - Form DEF 14A

	0	36,225	0	108.93	1/17/2016	0	0	0	0
Robert G.									
Wilmer	100,000	0	0	29.00	1/21/2007	0	0	0	0
	100,000	0	0	44.2063	1/20/2008	0	0	0	0
	80,000	0	0	49.50	1/19/2009	0	0	0	0
	100,000	0	0	42.00	1/18/2010	0	0	0	0
	79,709	0	0	65.80	1/16/2011	0	0	0	0
	20,291	0	0	68.31	2/20/2011	0	0	0	0
	90,000	0	0	75.80	1/15/2012	0	0	0	0

24

---



- (1) All stock option awards vest 10% one year after the grant date, an additional 20% two years after the grant date, and additional 30% three years after the grant date, and the remaining 40% four years after the grant date. The unexercisable stock options with the following expiration dates will vest as indicated below:

Expiration Date	Vesting Schedule
January 21, 2013	100% vested on January 21, 2007
January 20, 2014	43% vested on January 20, 2007 and the remaining 57% will vest on January 20, 2008
January 18, 2015	22% vested on January 18, 2007, an additional 33% will vest on January 18, 2008 and the remaining 44% will vest on January 18, 2009
January 17, 2016	10% vested on January 17, 2007, an additional 20% will vest on January 17, 2008, an additional 30% will vest on January 17, 2009 and the remaining 40% will vest on January 17, 2010

**Option Exercises and Stock Vested.** The following table sets forth the number of stock option awards exercised and the value realized upon exercise during 2006 for the Named Executive Officers, as well as the number of stock awards vested and the value realized upon vesting.

**Options Exercised and Stock Vested**

Name	Option Awards		Stock Awards	
	Number of Shares	Value	Number of Shares	Value Realized
	Acquired on	Realized on	Acquired on	on
	Exercise	Exercise	on	Vesting
		(\$)(1)	Vesting	Vesting
			(#)	(\$)
Robert E. Sadler, Jr.	125,720	8,946,528	0	0
René F. Jones	5,490	396,267	0	0
Michael P. Pinto	5,480	487,830	0	0
Atwood Collins, III	70,000	5,316,750	0	0
Mark J. Czarnecki	25,620	1,596,772	0	0
Robert G. Wilmers	100,000	9,242,000	0	0

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

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

**Pension Benefits (1)**

Name	Plan Name	Number of Years  Credited Service (#)	Present Value of  Accumulated Benefit (\\$)	Payments during Last Fiscal Year (\\$)
Robert E. Sadler, Jr.	Qualified Pension Plan	22	629,854	0
	Supplemental Pension Plan	0	0	0
	Individual Pension Agreement	22	2,869,492	0
René F. Jones	Qualified Pension Plan	13	75,707	0
	Supplemental Pension Plan	0	0	0
Michael P. Pinto	Qualified Pension Plan	21	305,570	0
	Supplemental Pension Plan	21	61,811	0
Atwood Collins, III	Qualified Pension Plan	17	418,617	0
	Supplemental Pension Plan	0	0	0
	Individual Pension Agreement	17	395,368	0
Mark J. Czarnecki	Qualified Pension Plan	26	382,925	0
	Supplemental Pension Plan	26	68,615	0
Robert G. Wilmers	Qualified Pension Plan	23	1,055,162	0
	Supplemental Pension Plan	23	176,351	0

(1) The assumptions used to calculate the present value of accumulated benefits are the same as those used under Statement of Financial Accounting Standards No. 87, Employers Accounting for Pensions, as of

December 31, 2006, assuming that all Named Executive Officers continue to work until their normal retirement age, or their current age, if later. The present value of accrued benefits as of December 31, 2006 is calculated assuming the executive commences his accrued benefit earned through December 31, 2006 at normal retirement age, or his current age, if earlier. For the December 31, 2006 calculation, the mortality assumption beginning at normal retirement age is based on the RP-2000 combined mortality table and the discount rate assumption is 5.75%. For the December 31, 2005 calculation, the mortality assumption beginning at normal

retirement age is  
based on the  
1983 group  
annuity  
mortality table  
and the discount  
rate assumption  
is 5.50%.

Normal retirement age is assumed to be age 65 for purposes of the Qualified Pension Plan and the Supplemental Pension Plan for the Named Executive Officers except for Mr. Wilmers. Mr. Wilmers' s normal retirement age is considered to be age 72, his current age. For purposes of his Individual Pension Agreement, Mr. Sadler' s normal retirement age is considered to be age 61, his current age, because he has completed more than 20 years of service. For purposes of his Individual Pension Agreement, Mr. Collins' normal retirement age is the age at which he will accrue 20 years of service, age 63.

**Overview of Pension Plan.** M&T Bank Corporation maintains two defined benefit pension plans. One is the M&T Bank Corporation Pension Plan, which provides funded, tax-qualified benefits to all eligible employees up to the limits on compensation and benefits under the Internal Revenue Code (the "Qualified Pension Plan"). The second is the M&T Bank

Corporation Supplemental Pension Plan, which provides unfunded, non-qualified benefits to select management and highly compensated employees of M&T Bank Corporation in excess of what may be provided under the Qualified Pension Plan because of the limits placed on compensation that may be used to calculate benefits under that plan in accordance with the Internal Revenue Code, but based on a maximum compensation level of \$350,000 (the

Supplemental Pension Plan ). In addition, M&T Bank Corporation has agreed to provide, on an unfunded basis, supplemental retirement benefits to Messrs. Sadler and Collins (the Individual Pension Agreements ). The Individual Pension Agreements were entered into at the time these executives were recruited to join M&T Bank Corporation. Benefits earned under the Supplemental Pension Plan or under an Individual Pension Agreement are offset by benefits earned under the Qualified Pension Plan and, for Messrs. Sadler and Collins, by pension benefits earned with a prior employer. Executives who are covered both by the Supplemental Pension Plan and an Individual Pension Agreement receive the greater of the non-qualified benefits provided under the Supplemental Pension Plan and the Individual Pension Agreements.

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 the Named Executive Officers, 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, in which qualifying participants are credited a percentage of total pay based on length of service. The reduction in future Qualified Pension Plan benefits that accompanied this change in retirement program structure implemented a strategy to provide a competitive level of defined benefit pension benefits and to shift the retirement program from a defined benefit emphasis toward a defined contribution pension approach for future employees. Of the Named Executive Officers, Messrs. Wilmers, Sadler, Collins, Pinto and Czarnecki elected to remain in the Qualified Pension Plan; Mr. Jones elected to participate in the Retirement Accumulation Account for future benefits. No executive is eligible to earn future benefits in both the Qualified Pension Plan and the Retirement Accumulation Account.

**Explanation of Pension Benefits Table.** The Pension Benefits Table indicates, for the Qualified Pension Plan, the Supplemental Pension Plan and the Individual Pension Agreements, the Named Executive Officer's number of years of credited service, present value of accumulated benefit and any payments made during the year ended December 31, 2006.

The amounts indicated in the column entitled Present Value of Accumulated Benefit represent the lump-sum value as of December 31, 2006 of the annual benefit that was earned by the Named Executive Officers as of December 31, 2006, 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. The normal retirement age is defined as the attainment of twenty years of service in the Individual Pension Agreements for Messrs. Sadler and Collins. 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. The following describes the material factors necessary to understand the pension benefits that are provided to the Named Executive Officers under the Qualified Pension Plan, the Supplemental Pension Plan and the Individual Pension Agreements.

**Qualified Pension Plan.** The Qualified Pension Plan is designed to provide tax-qualified pension benefits for a broad base of M&T Bank

Corporation's employees. It continues to provide ongoing, future pension benefits to plan participants, including Messrs. Sadler, Pinto, Collins Czarnecki and Wilmers, who elected to remain in the Qualified Pension Plan for periods on and after January 1, 2006. Mr. Jones 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. Benefits under the Qualified Pension Plan are determined under the following formula and are expressed as a single life annuity payable at normal retirement:

The participant's retirement benefit is the total of (a) and (b) where:

(a) equals the Participant's accrued benefit as of December 31, 2005, and

(b) equals the sum of the annual pension credits earned by the participant under the following formula, for each plan year of service beginning on and after January 1, 2006:

(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

Compensation generally is 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. That limit (the IRS Compensation Limit) was \$220,000 for 2006. In addition, benefits provided under the Qualified Pension Plan may not exceed a benefit limit under the Internal Revenue Code (which was \$175,000 payable as a single life annuity beginning at normal retirement age in 2006). The Social Security Wage Base is the maximum amount of annual earnings or wages that is subject to the old age, survivors and disability insurance taxes (that is in effect under the Social Security Act at the beginning of the plan year).

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, 2006, Messrs. Sadler and Collins had attained eligibility for early retirement under the Qualified Pension Plan, and Messrs. Pinto, Czarnecki and Jones were not eligible for early retirement. The Named Executive Officers are not eligible for unreduced Qualified Pension Plan benefits at any age before normal retirement age. Mr. Wilmers is working beyond his normal retirement age. As such, he is continuing to earn benefits under the Qualified Pension Plan based on the benefit formula and other plan provisions described herein. When he retires, his benefit will be \$128,835 annually.

Benefits under the Qualified Pension Plan are 100% vested after an employee has completed at least five years of service. All of the Named Executive Officers are 100% vested in their benefits in the Qualified Pension Plan. M&T Bank Corporation does not credit service in the Qualified Pension Plan beyond the actual number of years an employee has participated in the plan or the plan of an acquired bank that was merged into the Qualified Pension Plan. The years of credited service for all of the Named Executive Officers 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 hour of work during a plan year to be credited with a year of

service for purposes of the Qualified Pension Plan.

Benefits under the Qualified Pension Plan are paid over the lifetime of the Named Executive Officer or the lifetimes of the Named Executive Officer and a beneficiary, as elected by the Named Executive Officer. If the Named Executive Officer 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 Named Executive Officer elects another form of payment with the consent of the spouse. If benefits are paid in a form in which a benefit is to be paid to a beneficiary after the death of the Named Executive Officer, benefits are reduced from the amount payable as a lifetime benefit solely to the Named Executive Officer in accordance with the actuarial factors that apply to all participants in the Qualified Pension Plan. The Qualified Pension Plan generally does not make distributions in the form of a one-time lump sum payment. A participant's benefit is 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 Named Executive Officers, are payable from the assets held by the tax-exempt trust.

**Supplemental Pension Plan.** The Supplemental Pension Plan is designed to provide participants with benefits that cannot be provided under the Qualified Pension Plan because of the IRS Compensation Limit. 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 the IRS Compensation Limit did not exist, and the benefit actually provided under the Qualified Pension Plan. The eligible compensation that may be considered under the Supplemental Pension Plan formula is limited to \$350,000, having been increased from \$235,840 effective January 1, 2006. 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. The vesting schedule in the Supplemental Pension Plan is the same as in the Qualified Pension Plan and all of the Named Executive Officers are 100% vested in their benefits in the Supplemental Pension Plan.

Benefits payable under the Supplemental Pension Plan prior to January 1, 2007 are payable at the same time and in the same form as under the Qualified Pension Plan. Benefits payable after December 31, 2006 under the Supplemental Pension Plan are payable at the time and in the form as elected by the Named Executive Officer to comply with Section 409A of the Internal Revenue Code, but in no event may benefits begin prior to a Named Executive Officer's separation from service. Generally, benefits under the Supplemental Pension Plan are paid over the lifetime of the Named Executive Officer or the lifetimes of the Named Executive Officer and a beneficiary, as elected by the Named Executive Officer. The Supplemental Pension Plan does allow a Named Executive Officer to elect to receive the benefit due under the 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 Named Executive Officer, benefits are reduced from the amount payable as a lifetime benefit solely to the Named Executive Officer in accordance with the actuarial factors that apply to all participants in the Qualified Pension Plan. If benefits are paid as a lump sum payment, benefits are adjusted from the amount payable as a lifetime benefit solely to the Named Executive Officer in accordance with the actuarial factors that apply to all participants in the Qualified Pension Plan.

Service is determined under the Supplemental



Pension Plan in the same manner as under the Qualified Pension Plan, as described above.

Of the Named Executive Officers, Messrs. Pinto, Czarnecki and Wilmers elected to continue to participate in the revised Qualified Pension Plan effective January 1, 2006, and, as such, they continue to be participants in the Supplemental Pension Plan. As described below, the effect of the Individual Pension Agreements in which Messrs. Sadler and Collins participate is that they will not receive any benefits from 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 Retirement Accumulation Account effective January 1, 2006. M&T Bank Corporation maintains a defined contribution nonqualified Retirement Accumulation Account (the Supplemental RAA ) that is designed to provide participants with contributions that cannot be provided under the qualified Retirement Accumulation Account because of the IRS Compensation Limit. Annual compensation under the Supplemental RAA is also limited to \$350,000. Mr. Jones participated in the Supplemental RAA in 2006 and was credited with a contribution for 2006 as reported below under the discussion of 2006 Nonqualified Deferred Compensation Plans.

The Supplemental Pension Plan and Supplemental RAA are unfunded and maintained as book reserve accounts. No funds are set aside in a trust or otherwise; participants in the Supplemental Pension Plan and Supplemental RAA are general creditors of M&T Bank Corporation with respect to the payment of their benefits in the Supplemental Pension Plan or Supplemental RAA.

**Individual Pension Agreements.** In addition to retirement benefits under the Qualified Pension Plan, M&T Bank has agreed, on a nonqualified, unfunded basis, to pay a supplemental pension benefit to Messrs. Sadler and Collins. The agreement for each is identical and provides each a pension benefit in an amount equal to the difference between 55% of his average annual compensation, and the total amount payable to him from the Qualified Pension Plan, the Supplemental Pension Plan and their prior employers' pension plans. As a result of these reductions, no benefits will be payable to Messrs. Sadler or Collins from the Supplemental Pension Plan. For purposes of the Individual Pension Agreements, average annual compensation is the average of the executive's highest annual base salary paid during any five consecutive calendar year period in the ten calendar years that precede the executive's retirement.

The pension benefit under an Individual Pension Agreement is payable on an unreduced basis at normal retirement age, defined under the agreements as the completion of 20 years of service with M&T Bank Corporation and affiliates. Mr. Sadler has attained the normal retirement age under his Individual Pension Agreement, having completed 20 years of service in 2003. Mr. Collins is eligible to retire early under his Individual Pension Agreement, having attained age 55 and completed 10 years of service. Should he retire early, benefits paid before the normal retirement age would be reduced pro rata for years of service less than 20 years and further reduced 4% per year for each year that the benefit commences prior to normal retirement age.

Generally, benefits under the Individual Pension Agreements are paid over the lifetime of the Named Executive Officer or the lifetimes of the Named Executive Officer and a beneficiary, as elected by the Named Executive Officer. The Individual Pension Agreements do not allow a Named Executive Officer to elect to receive the benefit due under the 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 Named Executive Officer, benefits are reduced from the amount payable as a lifetime benefit solely to the Named Executive Officer in accordance with the actuarial factors that apply to all participants in the Qualified Pension Plan.

Service is determined under the Individual Pension Agreements in the same manner as under the Qualified Pension Plan, as described above.

Benefits provided under the Individual Pension Agreements are unfunded and maintained as a book reserve account. No funds are set aside in a trust or otherwise; participants are general creditors of M&T Bank Corporation with respect to the payment of their Individual Pension Agreement benefits.

**Nonqualified Deferred Compensation.** The following table sets forth contributions, earnings and year-end balances for 2006 with respect to nonqualified deferred compensation plans for the Named Executive Officers.

**Nonqualified Deferred Compensation (1)**

Name	Plan Name	Executive	Registrant	Aggregate	Aggregate	Aggregate
		Contri- butions in Last FY (\$)	Contri- butions in Last FY (\$)	Earnings in Last FY (\$)	Withdrawals/ Distributions (\$)	Balance at Last FYE (\$)
Robert E. Sadler, Jr.	Supplemental 401(k)	13,000	5,850	0	0	295,132
	Supplemental RAA	0	0	0	0	0
	Deferred Bonus Plan	0	0	0	0	0
René F. Jones	Supplemental 401(k)	20,000	5,850	0	0	27,479
	Supplemental RAA	0	4,550	0	0	4,550
	Deferred Bonus Plan	0	0	0	0	110,402
Michael P. Pinto	Supplemental 401(k)	7,800	5,850	0	0	87,084
	Supplemental RAA	0	0	0	0	0
	Deferred Bonus Plan	0	0	0	0	457,040
Atwood Collins, III	Supplemental 401(k)	7,800	5,850	0	0	55,296
	Supplemental RAA	0	0	0	0	0
	Deferred Bonus Plan	0	0	0	0	0
Mark J. Czarnecki	Supplemental 401(k)	7,800	5,850	0	0	71,086
	Supplemental RAA	0	0	0	0	0
	Deferred Bonus Plan	0	0	0	0	0
Robert G. Wilmers	Supplemental 401(k)	13,000	5,850	0	0	400,349
	Supplemental RAA	0	0	0	0	0
	Deferred Bonus Plan	0	0	0	0	0

(1) Amounts shown relate to contributions, earnings and year-end balances in 2006 for each of the Named Executive Officers in the Supplemental

Retirement  
Savings Plan  
and the M&T  
Bank  
Corporation  
Deferred Bonus  
Plan (the  
Deferred Bonus  
Plan ).

**Overview of Nonqualified Deferred Compensation Plans.** M&T Bank Corporation maintains two Nonqualified Deferred Compensation Plans: the Supplemental Retirement Savings Plan, or Supplemental RSP, and the Deferred Bonus Plan.

The Supplemental RSP consists of two parts, a supplemental 401(k) portion ( Supplemental

401(k) Plan ) and a supplemental Retirement Accumulation Account portion ( Supplemental RAA ). Both portions mirror the provisions of the tax-qualified defined contribution plan maintained by M&T Bank Corporation and provide unfunded, non-qualified benefits to select management and highly compensated employees of M&T Bank Corporation in excess of the limits applicable to the tax-qualified plan, but based on a maximum compensation level of \$350,000. The Supplemental RSP is maintained as a book reserve account. No funds are set aside in a trust or otherwise; participants in the Supplemental RSP are general creditors of M&T Bank Corporation with respect to the payment of their benefits in the Supplemental RSP.

The Deferred Bonus Plan allows select members of management and highly compensated employees of M&T Bank Corporation to defer all or a portion of an annual bonus they receive under an M&T Bank Corporation bonus or incentive plan.

**Retirement Savings Plan.** M&T Bank Corporation maintains the Retirement Savings Plan as a tax-qualified plan. The Retirement Savings Plan contains a 401(k) portion (the Qualified 401(k) Plan ) that allows participants to defer compensation on a tax-deferred basis and receive a matching employer contribution, and a Retirement Accumulation Account portion (the Qualified RAA ) under which M&T Bank Corporation makes contributions on behalf of participating employees based on their years of service.

**Qualified 401(k) Plan.** Under the Qualified 401(k) Plan, participants, including the Named Executive Officers may elect to contribute up to 50% of compensation on a pre-tax basis and, if they have completed at least one year of service, are eligible for an employer matching contribution. The employer match equals 100% of a participant's contributions that do not exceed 3% of the participant's compensation plus 50% of the participant's contributions that exceed 3% but not 6% of the participant's compensation. A participant's contributions may not exceed the limit for pre-tax contributions under Internal Revenue Code Section 402(g) (the IRS Contribution Limit ) of \$15,000 for 2006. Compensation recognized under the Qualified 401(k) Plan may not exceed the IRS Compensation Limit discussed above. Participants are 100% immediately vested in the Qualified 401(k) Plan accounts attributable to their own contributions and the employer matching contributions. Participants may allocate their contributions and account balance among a variety of different investment funds that include various mutual funds and Common Stock and may reallocate their plan investments, both for new contributions and/or their account balance, among the investment options on a daily basis.

**Qualified RAA.** As described above, the Qualified RAA was established effective January 1, 2006 when M&T Bank Corporation restructured its retirement programs. All participants in the Qualified Pension Plan, including the Named Executive Officers, were given a one-time election to remain in the Qualified Pension Plan and earn future benefits under a new pension benefit formula or participate in the new Qualified RAA. All employees that begin employment after June 30, 2004 are eligible to participate in the Qualified RAA and may not participate in the Qualified Pension Plan. Of the Named Executive Officers, Mr. Jones elected to participate in the Qualified RAA, while Messrs. Sadler, Pinto, Collins, Czarnecki and Wilmers elected to remain in the Qualified Pension Plan. No Named Executive Officer is eligible to earn future benefits in both the Qualified Pension Plan and the Qualified RAA.

The Qualified RAA provides participants with an annual employer contribution that is based on an employee's length of service with M&T Bank Corporation. In order to receive a contribution for a particular plan year, an employee must be a Qualified RAA participant, have completed at least 12 months of continuous service, have been

paid for at least 1,000 hours during the plan year and be actively employed by M&T Bank Corporation or its affiliates on December 31<sup>st</sup> of the plan year. Contributions are based on 5-year service brackets and range from 2.25% of compensation for service between 1-5 years and 6.5% of compensation for service over 30 years. The Qualified RAA utilizes a graded vesting schedule under which a participant becomes vested in their account at a rate of 20% after two years, 40% after three years, 60% after four years and 100% after five years. Participants in the Qualified RAA have the ability to select from the same investment options offered under the Qualified 401(k) Plan and make investment allocation decisions on a daily basis.

#### **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 in addition to the benefits they may receive under the Qualified 401(k) Plan, which are restricted by the IRS Compensation Limit and the IRS Contribution Limit. All of the Named Executive Officers participate in the Supplemental 401(k) Plan.

For a given year, a participant may elect to contribute up to 50% of Plan Compensation received after the participant has attained a Plan Compensation minimum amount for the year. A participant elects the contribution percentage before the beginning of the year. A participant who contributes the maximum allowable amount to the Qualified 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. Plan Compensation has the same definition as compensation under the Qualified Pension Plan, but it also includes amounts deferred by participants under the Supplemental 401(k) Plan and the Deferred Bonus Plan. The maximum Plan Compensation amount that may be considered under the Supplemental RSP is \$350,000. For 2006, each of the Named Executive Officers elected to contribute to the Supplemental 401(k) Plan after their Plan Compensation exceeded the IRS Compensation Limit for 2006. Mr. Sadler and Mr. Wilmers each elected to contribute 10% of such Plan Compensation, and Messrs. Jones, Pinto, Collins and Czarnecki each elected to contribute 6% of Plan Compensation.

A participant is 100% immediately vested in the book reserve accounts attributable to his or her own contributions and the employer matching contributions. The Supplemental 401(k) 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. These 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.

A participant in the Supplemental 401(k) Plan has the same investment options and capabilities to change investments as under the Qualified 401(k) Plan. Because the plan is unfunded and maintained as a book reserve account, investment returns on these book accounts are purely hypothetical and are allocated to a participant's Supplemental 401(k) Plan accounts as if they were actually invested in the elected investment options.

M&T Bank Corporation does not credit service in the Supplemental 401(k) Plan beyond the actual number of years an employee is employed by M&T Bank Corporation or an acquired bank.

**Supplemental RAA.** The Supplemental RAA portion of the Supplemental RSP is designed to provide participants with benefits that cannot be provided under the Qualified RAA because of the IRS Compensation Limit. Mr. Jones is the only Named Executive Officer 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 IRS Compensation Limit did not exist up to the Supplemental RSP Plan compensation limit of \$350,000, and (2) the contribution actually provided under the RAA. Mr. Jones was credited with \$4,550 for the 2006 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. Participants in the Supplemental RAA have the ability to select from the same investment options offered under the Supplemental 401(k) Plan and make investment allocation decisions on a daily basis. Earnings are credited in the same manner and on the same basis as in the Supplemental 401(k) Plan.

M&T Bank Corporation does not credit service in the Supplemental RAA beyond the actual number of years an employee is employed by M&T Bank Corporation or an acquired bank.

**Deferred Bonus Plan.** The Deferred Bonus Plan allows select members of management and highly compensated employees of M&T Bank Corporation to defer all or a portion of an annual bonus award to which they may be entitled under an M&T Bank Corporation bonus or incentive plan. No Named Executive Officer participated in the Deferred Bonus Plan in 2006, although Messrs. Jones and Pinto have accounts in the Deferred Bonus Plan as of December 31, 2006 resulting from prior years' deferrals.

Under the Deferred Bonus Plan, an eligible employee may elect to defer a specific percentage or a dollar amount of the award, with a minimum deferral of \$10,000. A participant elects to defer the elected amount for a specific number of years between 5 and 20 and elects 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 in the Deferred Bonus Plan have the ability to select from the same investment options offered under the Supplemental RSP and make investment allocation decisions on a daily basis. Earnings are credited in the same manner and on the same basis as in the Supplemental RSP, except that any investment in Common Stock may not be reallocated to another investment.

The Deferred Bonus Plan is unfunded and maintained as a book reserve account. Investment returns are purely hypothetical and are allocated to a participant's Deferred Bonus Plan accounts as if they are invested in the elected investment options. No funds are set aside in a trust or otherwise. Participants in the Deferred Bonus Plan are general creditors of M&T Bank Corporation with respect to the payment of benefits under the Deferred Bonus Plan.

**Post-Employment Benefits.** The following table indicates the potential post-employment payments and benefits for the Named Executive Officers if a change-of-control event had occurred on December 31, 2006.

**Post-Employment Benefits**

Name	Severance Pay (\$)	Health Benefit Coverage (\$)	Value of Options (\$)	Total Benefits (\$)
Robert E. Sadler, Jr.	1,600,000	25,810	0	1,625,810
René F. Jones	470,000	11,453	942,112	1,423,565
Michael P. Pinto	900,000	16,509	3,164,763	4,081,272
Atwood Collins, III	570,000	16,582	1,705,730	2,292,312
Mark J. Czarnecki	900,000	11,620	2,191,060	3,102,680
Robert G. Wilmers	1,200,000	45,381	0	1,245,381

**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 occurs. A Qualifying Event is defined as any permanent, involuntary termination of a participant's active employment with M&T Bank Corporation or its affiliates as a result of a reduction in force, restructuring, outsourcing or elimination of position, as determined by the Plan Administrator. Under the Severance Pay Plan, a Named Executive Officer, upon the occurrence of a Qualifying Event, is entitled to the continuation of their base pay for at least 52 weeks, but in no event more than 104 weeks as determined at the time of the Qualifying Event. The maximum amount of payment that could be made for each Named Executive Officer upon a Qualifying Event is shown in the Post-Employment Benefits table above based on their base salary as of December 31, 2006. A Named Executive Officer may elect to receive the severance payments as bi-weekly payments or as a lump sum.

A Named Executive Officer who incurs a Qualifying Event is entitled to 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 flex spending accounts. The maximum amount of value for these benefits for each Named Executive Officer as of December 31, 2006 is shown in the Post-Employment Benefits table above.

**Accelerated Vesting of Equity Awards.** Under M&T Bank Corporation's various equity compensation plans, upon a change in control or death, disability or retirement, any employee, including the Named Executive Officers, would be immediately vested in any outstanding awards that were unvested at the time of the change in control or death, disability or retirement. The value attributable to outstanding awards as of December 31, 2006 that could become vested upon such an event for each Named Executive Officer is shown in the Post-Employment Benefits table above.

**Conditions to Receipt of Post-Employment Benefits.** There are no material conditions or obligations applicable to the receipt of the post-employment benefits described herein other than standard confidentiality obligations that are

applicable to all employees generally.

**Director Compensation.** The following table contains information concerning the total compensation earned by each individual who served as a director of M&T Bank Corporation during 2006 other than directors who are also Named Executive Officers.

### Director Compensation

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)	Option Awards (\$)	Non- Equity Incentive Plan Compen- sation (\$)	Changes in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compen- sation (\$)	Total (\$)
Brent D. Baird	72,250	0	0	0	0	0	72,250
Stephen G. Sheetz (2)	39,000	0	0	0	0	32,313	71,313
C. Angela Bontempo T. Jefferson	69,750	0	0	0	0	0	69,750
Cunningham III (3)	46,500	0	0	0	0	20,200	66,700
Patrick W.E. Hodgson	63,750	0	0	0	0	0	63,750
Reginald B. Newman, II	62,750	0	0	0	0	0	62,750
Patrick J. Callan (4)	57,417	0	0	0	0	0	57,417
Robert J. Bennett	56,700	0	0	0	0	0	56,700
Richard G. King	53,500	0	0	0	0	0	53,500
Herbert L. Washington	51,500	0	0	0	0	0	51,500
Richard E. Garman	45,000	0	0	0	0	0	45,000
Michael D. Buckley (5)	44,000	0	0	0	0	0	44,000
Jorge G. Pereira	38,000	0	0	0	0	0	38,000
Robert T. Brady	35,000	0	0	0	0	0	35,000
Daniel R. Hawbaker	34,000	0	0	0	0	0	34,000
Colm E. Doherty (6)	30,000	0	0	0	0	0	30,000
Eugene J. Sheehy (6)	30,000	0	0	0	0	0	30,000
R. Carlos Carballada (4)	18,667	0	0	0	0	0	18,667
William F. Allyn (4)	14,750	0	0	0	0	0	14,750
Derek C. Hathaway (4)	0	0	0	0	0	0	0

(1) Pursuant to the terms of the Directors Stock Plan, each director must elect to have either 50 or



100 percent of his or her fees earned for services as a director of M&T Bank Corporation and its subsidiaries paid in the form of Common Stock in lieu of cash.

- (2) Mr. Sheetz received distributions of Common Stock and cash during 2006 from the Keystone Directors Fees Plan and the 1991 Keystone Financial Inc. Directors Deferral Plan (the Keystone Directors Deferral Plan ), respectively, which plans M&T Bank Corporation assumed in connection with its acquisition of Keystone.
- (3) Mr. Cunningham received consulting fees and other benefits until February 9, 2006 pursuant to a five-year consulting agreement with M&T Bank Corporation that was effective on

February 9, 2001  
in connection  
with the  
execution of the  
merger  
agreement  
whereby M&T  
Bank  
Corporation  
acquired  
Premier.

- (4) Messrs. Allyn,  
Callan,  
Carballada and  
Hathaway  
served as  
directors of  
M&T Bank  
Corporation  
until their  
respective  
retirements on  
April 18, 2006.

(5) The retainer and attendance fees attributable to Mr. Buckley's service as a director for the first quarter of 2006 in the amount of \$12,000 were paid in cash to AIB. Following Mr. Buckley's retirement from AIB, the retainer and attendance fees for the second, third and fourth quarters of 2006 in the amount of \$32,000 were paid to him pursuant to the terms of the Directors' Stock Plan.

(6) The retainer and attendance fees attributable to Messrs. Doherty and Sheehy's service as directors were paid in cash to AIB.

**M&T Bank Corporation Directors' Fees.** Directors of M&T Bank Corporation who are not also salaried officers of M&T Bank Corporation or its subsidiaries receive an annual retainer of \$20,000 plus an attendance fee of \$2,000 for each meeting of the Board of Directors attended. 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. Such directors who are members of a committee of the Board of Directors of M&T Bank Corporation receive \$1,000 for each committee meeting attended, except members of the Audit and Risk Committee receive \$3,000 for each Audit and Risk Committee meeting attended. All directors of M&T Bank Corporation are entitled to reimbursement for travel expenses incidental to their attendance at meetings.

Pursuant to the terms of the M&T Bank Corporation Directors' Stock Plan (the Directors' Stock Plan), each director must elect to have 50 or 100 percent of his or her annual compensation for services as a director or advisory director of M&T Bank Corporation and its subsidiaries paid in the form of Common Stock. 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 New York Stock Exchange on the business day immediately preceding the day the compensation is payable.

In connection with the acquisition of Allfirst on April 1, 2003, the Boards of Directors of M&T Bank Corporation and M&T Bank determined that the retainer and attendance fees of any director who serves as a designee of AIB on the Boards of Directors of M&T Bank Corporation or M&T Bank shall be paid to AIB in cash if such director is a salaried officer or employee of AIB or any of its subsidiaries, notwithstanding the terms of the Directors' Stock Plan. As a result, the retainer and attendance fees attributable to Messrs. Doherty and Sheehy in 2006 were paid in cash to AIB. The retainer and attendance fees attributable to Mr. Buckley were paid to AIB for the first quarter of 2006. Following Mr. Buckley's retirement from AIB, however, the retainer and attendance fees for the remainder of 2006 were paid to him pursuant to the Directors' Stock Plan.

In connection with the acquisition of Premier, M&T Bank Corporation entered into a five-year consulting agreement with Mr. Cunningham that ended on February 9, 2006 pursuant to which he received a payment of \$125,000 per year, the use of an office and a company-owned automobile, life insurance coverage substantially equivalent to that provided to executive officers of M&T Bank Corporation, and the reimbursement of expenses incurred in connection with the performance of his services. Mr. Cunningham's agreement also provided for the establishment of a retirement benefit determined using the same formula used by M&T Bank Corporation under the Pension Plan. The total amount received by Mr. Cunningham in 2006 pursuant to his consulting agreement was \$20,200.

**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. Except as described below, such attendance fees are identical to the schedule of fees paid to directors of M&T Bank Corporation for board and committee meetings attended.

Mr. Baird, as a member of the Directors Advisory Council of the New York City Division of M&T Bank, receives 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 Syracuse Division of M&T Bank, received a retainer of \$5,500 and a fee of \$600 for each such meeting attended by him during the first half of 2006, and no retainer and a fee of \$1,000 for each such meeting attended by him during the second half of 2006. Mr. Cunningham, as the chairman of the Directors Advisory Council of the Hudson Valley Division of M&T Bank, received a retainer of \$1,500 and a fee of \$500 for each such meeting attended by him during the first half of 2006, and no retainer and a fee of \$1,000 for each such meeting attended by him during the second half of 2006. 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.** Mr. Hawbaker and Mr. Sheetz are participants of the Keystone Directors Fees Plan that was assumed by M&T Bank Corporation in connection with its acquisition of Keystone. The Keystone Directors Fees 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 to the right to receive Common Stock. Mr. Sheetz is entitled to receive annual distributions from his plan account over the ten-year period covering 2000 through 2009. In 2006 he received 239 shares of Common Stock. Mr. Hawbaker is also a participant in the Keystone Directors Fees Plan and his benefits will be paid upon his resignation or retirement as a director in the form of a single distribution.

In addition to the above, Mr. Sheetz is a participant in the Keystone Directors Deferral Plan, a nonqualified unfunded plan under which a director could elect to defer directors' fees, with earnings being credited on deferrals based on the investment return of various mutual funds. Mr. Sheetz is entitled to receive annual distributions from his plan account over the ten-year period covering 2000 through 2009. In 2006 he received \$2,992.

#### **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 that own commercial aircraft which are leased to a commercial aviation service. From time to time, M&T Bank charters planes from the aviation service for business use by Mr. Wilmers. M&T Bank paid \$499,064 to the aviation service for use of the aircraft in 2006. M&T Bank has determined that the fees paid to the aviation service for such business use of the aircraft are fair and competitive.

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 2006 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 transactions with other persons, and did not involve more than normal risk of collectibility or present other unfavorable features.

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

The Board of Directors believes that the purpose of corporate governance is to ensure that stockholder 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 promotes this purpose. The Board of Directors has evaluated and approved its corporate governance standards on an annual basis since their adoption, and in October 2003, adopted new Corporate Governance Standards as a result of new SEC and New York Stock Exchange requirements.

The Board of Directors last amended its Corporate Governance Standards in February 2004. 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.

On February 20, 2007, the Board of Directors adopted an amendment to the bylaws of M&T Bank Corporation to institute a majority vote standard for the election of directors in uncontested elections. The amendment provides that if a nominee for director does not receive a majority of the votes cast (which includes votes to withhold authority but excludes abstentions) in an uncontested election, such director shall promptly 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.

The Board of Directors has designated the Nomination, Compensation and Governance Committee to discharge the Board of Directors' responsibilities with respect to compensation, director nominations and corporate governance matters.

#### **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 2006. As a result of that review, the Board of Directors determined that 18 of its 24 then current members met the New York Stock Exchange standard for independence. Of the 20 nominees standing for election as directors at the 2006 Annual Meeting of Stockholders, all of whom are currently serving as such, 14 meet the New York Stock Exchange standard for independence. In making determinations of 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 to 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 \$100,000 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) during any of 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 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 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.

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 2006:

Brent D. Baird	Patrick W.E. Hodgson
Robert J. Bennett	Daniel R. Hawbaker
C. Angela Bontempo	Richard G. King
Robert T. Brady	Reginald B. Newman, II
Michael D. Buckley	Jorge G. Pereira
Colm E. Doherty	Stephen G. Sheetz
Richard E. Garman	Herbert L. Washington

The Board of Directors held six meetings during 2006. 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 Stockholders, absent exigent circumstances when they are not available. All but one of the 20 nominees standing for election as directors at the 2007 Annual Meeting of Stockholders attended last year's annual meeting of stockholders.

**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, vice chairman of the Board of Directors, presides at these meetings. In his absence, the non-management directors will determine which of them will preside at such meetings.

Interested parties may make their concerns known directly to the presiding 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 presiding director or the non-management directors as a group by reviewing, sorting and summarizing such communications. All such communications will be referred to the presiding director or the non-management directors as a group for consideration unless otherwise instructed by the presiding director or the non-management directors as a group.

**Audit and Risk Committee.** In addition to selecting the independent public accountant, the Audit and Risk Committee serves as the examining committee for M&T Bank, 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 public accountant, the results of the annual audit and the limited reviews of quarterly financial information, the recommendations of the independent public accountant 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. Hodgson and Newman served as members of the Audit and Risk Committee throughout 2006, and all of them are currently serving as such. In addition, Messrs. Allyn and Hathaway served as members of the Audit and Risk Committee until April 18, 2006, at which time they retired. Messrs. King and Washington became members of the Audit and Risk Committee on April 18, 2006, and they currently serve 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 public accountant 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 New York Stock Exchange and Exchange Act standards for independence. In addition, the Board of Directors has determined that each member of the Audit and Risk Committee is financially literate, and that at least one member of the Audit and Risk Committee meets the New York Stock Exchange 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 and as described in the preceding sentence, are independent of management.

The Audit and Risk Committee operates pursuant to a written charter that was last amended by the Executive Committee of the Board of Directors on February 27, 2007. A copy of the Audit and Risk Committee Charter is attached to this proxy statement as Appendix A. It can also 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 public accountant, including pre-approval of all audit and non-audit services to be performed by the independent public accountant. The Audit and Risk Committee Charter also gives the committee authority to fulfill its obligations under SEC and New York Stock Exchange 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 New York Stock Exchange. The



Audit and Risk Committee operates under a written charter adopted by the Board of Directors, a current copy of which is attached to this proxy statement as Appendix A. During 2006, the Audit and Risk Committee met six times, and held discussions with M&T Bank Corporation's management and representatives of its independent public accountant 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 public accountant 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 2006 audited consolidated financial statements with M&T Bank Corporation's management and its independent public accountant and has reviewed and discussed with the independent public accountant all communications required by standards of the PCAOB, including the matters described in Statement on Auditing Standards No. 61, as amended by Statement on Auditing Standards No. 90 (Audit Committee Communications), 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 public accountant as required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with the independent public accountant their independence. Based on these reviews and discussions with management and the independent public accountant, 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, 2006 to be filed with the SEC. The Audit and Risk Committee also selected the independent public accountant.

This report was adopted on February 20, 2007 by the Audit and Risk Committee of the Board of Directors:

C. Angela Bontempo, Chair

Patrick W.E. Hodgson

Richard G. King

Reginald B. Newman, II

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 stockholders. Nominations from stockholders,

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 stockholders, will be referred to the Nomination, Compensation and Governance Committee for consideration. For next year's annual meeting of stockholders, M&T Bank Corporation must receive this notice on or before November 6, 2007.

In considering nominees for director, including those recommended by stockholders, 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, and experience in the context of the needs of the Board of Directors.

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 stockholders. In addition, the Nomination, Compensation and Governance Committee must take 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 stockholders, 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.

The Nomination, Compensation and Governance Committee also is responsible for administering M&T Bank Corporation's equity plans, and awarding new grants thereunder, for administering the Annual Executive Incentive Plan, the Directors' Stock Plan, the M&T Bank Corporation 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 and, in addition, 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. The Nomination, Compensation and Governance Committee met six times during 2006.

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 by the Executive Committee of the Board of Directors on February 27, 2007. A copy of the Nomination, Compensation and Governance Committee Charter is attached to this proxy statement as Appendix B. It can also 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).

**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 2006, 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 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 the New York Stock Exchange standard for independence.

**Executive Committee.** The Board of Directors has empowered its Executive Committee to act in the board's place 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 2006. Messrs. Wilmers (Chairman), Baird, Bennett, Buckley, Garman and Sadler served as members of the Executive Committee throughout 2006, and all of them are currently serving as such, except for Mr. Sadler who resigned from the Executive Committee as of December 31, 2006 in conjunction with his retirement as president and chief executive officer.

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 BUSINESS CONDUCT AND 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 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 ethics, and adhering to such policies and procedures.

M&T Bank Corporation has a Code of Business Conduct and Ethics for 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 our employees 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 GUIDELINES**

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 Guidelines, including 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 stockholder who requests such information. To make a request, stockholders 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@mandtbank.com](mailto:ir@mandtbank.com).

**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 material to beneficial owners of the Common Stock.

**STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

Stockholders 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. All such communications will be referred to the Board of Directors or individual directors for consideration unless otherwise instructed by the Board of Directors.

**STOCKHOLDER PROPOSALS**

Under M&T Bank Corporation's Bylaws, no business may be brought before an annual meeting of stockholders 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 stockholder entitled to vote who has delivered notice to M&T Bank Corporation (containing information specified in the 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 stockholders. These requirements are separate from and in addition to the SEC's requirements that a stockholder must meet in order to have a stockholder proposal included in M&T Bank Corporation's proxy statement. A stockholder wishing to submit a proposal for consideration at the 2007 Annual Meeting of Stockholders, either under SEC Rule 14a-8 or otherwise, should do so no later than November 6, 2006.

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

On November 15, 2006, M&T Bank Corporation renewed its policy of directors' and officers' liability insurance for a one-year term at a cost of \$656,600 in premiums. The policy is carried with Lloyds of London 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 2007 Annual Meeting of Stockholders. If any other matters properly come before the meeting, it is the intention of the persons named in the enclosed proxy to vote the shares represented thereby in accordance with their best judgment.

March 5, 2007

**APPENDIX A**  
**M&T BANK CORPORATION**  
**AUDIT AND RISK COMMITTEE CHARTER**

**Purpose.** The Audit and Risk Committee is appointed by the Board to assist the Board in monitoring the integrity of the financial statements of M&T Bank Corporation; the independent auditor's qualifications and independence; the performance of M&T Bank Corporation's internal audit function and independent auditors; risk assessment and risk management; and the compliance by M&T Bank Corporation with legal and regulatory requirements.

The Audit and Risk Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the Commission) to be included in the Company's annual proxy statement.

**Committee Membership.** The Audit and Risk Committee shall be comprised of no fewer than three members. The members of the Audit and Risk Committee shall meet the independence and experience requirements of the New York Stock Exchange, the Securities Exchange Act of 1934 (the Exchange Act) and the rules and regulations of the Commission. Audit and Risk Committee members shall not simultaneously serve on the audit committees of more than two other public companies.

The members of the Audit and Risk Committee shall be appointed by the Board on the recommendation of the Nomination, Compensation and Governance Committee. Audit and Risk Committee members may be replaced by the Board.

**Meetings.** The Audit and Risk Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit and Risk Committee shall meet periodically with management (including the chief financial officer), the internal auditors and the independent auditor in separate executive sessions, and have such other direct and independent interaction with such persons from time to time as the members of the Audit and Risk Committee deem appropriate. The Audit and Risk Committee may request any director, officer or employee of M&T Bank Corporation or its subsidiaries or representatives of M&T Bank Corporation's outside advisors or independent auditor to attend meetings of the Audit and Risk Committee or to meet with any members of, or consultants to, the Audit and Risk Committee. Minutes of all Audit and Risk Committee meetings will be approved by the Committee and maintained.

**Committee Authority and Responsibilities.** The Audit and Risk Committee shall have the sole authority to appoint or replace the independent auditor (subject, if applicable, to stockholder ratification). The Audit and Risk Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit and Risk Committee.

The Audit and Risk Committee shall have unrestricted access to all data, records and employees of M&T Bank Corporation and its subsidiaries.

The Audit and Risk Committee shall preapprove all auditing services, internal control-related services, and permitted non-audit services (including the fees and terms thereof) to be performed for M&T Bank Corporation by its independent auditor, subject to the de minimus exceptions for non-audit services described in the Exchange Act which are approved by the Audit and Risk Committee prior to the completion of the audit.

The Audit and Risk Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. M&T Bank Corporation shall provide for appropriate funding, as determined by the Audit and Risk Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit and Risk Committee.

The Audit and Risk Committee shall make regular reports to the Board. The Audit and Risk Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit and Risk Committee shall annually review the Audit and Risk Committee's own performance.

The Audit and Risk Committee, to the extent it deems necessary or appropriate, shall:

1. Financial Statement and Disclosure Matters.

- 1.1. Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, consider whether they are consistent with the information known to Committee members, and recommend to the Board whether the audited financial statements should be included in M&T Bank Corporation's Form 10-K.
- 1.2. Review and discuss with management and the independent auditor M&T Bank Corporation's quarterly financial statements on Forms 10-Q, including the results of the independent auditor's reviews of quarterly financial statements and consider whether they are consistent with the information known to Committee members. Whenever possible, these reviews will occur prior to the filing of Forms 10-Q.
- 1.3. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of M&T Bank Corporation's financial statements, including any significant changes in M&T Bank Corporation's selection or application of accounting principles, the impact of any recent professional and regulatory pronouncements, any major issues as to the adequacy of M&T Bank Corporation's internal controls and any special steps adopted in light of material control deficiencies.
- 1.4. Review and discuss with management and the independent auditor any major issues as to the adequacy of M&T Bank Corporation's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
- 1.5. Review and discuss with management (including the General Auditor) and the independent auditor M&T Bank Corporation's internal controls report and the

independent auditor's attestation of the report prior to the filing of M&T Bank Corporation's Form 10-K.

- 1.6. Review and discuss quarterly reports from the independent auditors on:
    - 1.6.1. All critical accounting policies and practices used.
    - 1.6.2. All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
    - 1.6.3. Other material written communications between the independent auditor and management, such as any management letter.
  - 1.7. Discuss with management M&T Bank Corporation's earnings press releases, including the use of pro forma or adjusted non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).
  - 1.8. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on M&T Bank Corporation's financial statements.
  - 1.9. Discuss with management M&T Bank Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including M&T Bank Corporation's risk assessment and risk management policies.
  - 1.10. Discuss with the independent auditor the matters required to be discussed by Statements on Auditing Standards Nos. 61 and 90 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
  - 1.11. Review disclosures made to the Audit and Risk Committee by M&T Bank Corporation's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in M&T Bank Corporation's internal controls.
  - 1.12. Review and discuss significant disclosure issues considered by the Disclosure Policy Committee.
2. Oversight of M&T Bank Corporation's Relationship with the Independent Auditor.
    - 2.1. Review and evaluate the lead partner of the independent auditor team.

- 2.2. Obtain and review a report from the independent auditor at least annually regarding; the independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the independent auditor and M&T Bank Corporation. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and internal auditors. The Audit and Risk Committee shall present its conclusions with respect to the independent auditor to the Board.
- 2.3. Ensure the rotation of the audit partners as required by law. Consider whether, in order to assure continuing auditor independence, it is necessary to replace the independent auditing firm.
- 2.4. Recommend to the Board policies for M&T Bank Corporation's hiring of employees or former employees of the independent auditor who had significant decision-making authority or who participated in an audit management capacity in the audit of M&T Bank Corporation.
- 2.5. Discuss with the independent auditor issues on which they were consulted by M&T Bank Corporation's audit team and matters of audit quality and consistency.
- 2.6. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.
3. Oversight of M&T Bank Corporation's Internal Audit Function.
  - 3.1. Review and concur in the appointment, replacement and compensation of the General Auditor and have the General Auditor report, functionally, to the Audit and Risk Committee.
  - 3.2. Confirm and assure the independence of the General Auditor.
  - 3.3. Discuss with the General Auditor and management the internal audit department's responsibilities, budget and staffing.
  - 3.4. Review and approve the annual internal audit plans.
  - 3.5. Consider, in consultation with the General Auditor and the independent auditor, the audit scope and plan of the internal audit department and the outside auditor, and the coordination of audit efforts to ensure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
  - 3.6. Periodically, review performance versus plan and review and approve recommended



changes in the planned scope of the internal audit plans.

- 3.7. Review the significant reports to management prepared by the internal auditing department and management's responses.
- 3.8. Review with the senior internal audit executive any difficulties encountered during the course of any internal audits, including any restrictions on the scope of audit work or access to required information.
- 3.9. Review with the General Auditor the internal audit department's compliance with the Institute of Internal Auditors' Standards of the Professional Practice of Internal Auditing.
- 3.10. Understand the scope of the internal auditor's review of internal control over financial reporting.

4. Compliance Oversight Responsibilities.

- 4.1. Obtain from the independent auditor assurance that if it detects or becomes aware of any illegal act, that the Audit and Risk Committee will be adequately informed and provided with a report if required under the Exchange Act.
- 4.2. Advise the Board with respect to M&T Bank Corporation's policies and procedures regarding compliance with applicable laws and regulations and with M&T Bank Corporation's Code of Business Conduct and Ethics and Code of Ethics for CEO and Senior Financial Officers.
- 4.3. Establish procedures for the receipt, retention and treatment of complaints received by M&T Bank Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- 4.4. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding M&T Bank Corporation's financial statements or accounting policies.
- 4.5. Discuss with M&T Bank Corporation's General Counsel legal matters that may have a material impact on the financial statements or M&T Bank Corporation's compliance policies.

5. Other Responsibilities.

- 5.1. Provide oversight of management's efforts to identify, measure, monitor and control risk.

**Limitation of Audit and Risk Committee's Role.** While the Audit and Risk Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit and Risk Committee to plan or conduct audits or to determine that M&T Bank Corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

A-6

---

**APPENDIX B**  
**M&T BANK CORPORATION**  
**NOMINATION, COMPENSATION AND GOVERNANCE COMMITTEE CHARTER**

**Purposes.** The purposes of the Nomination, Compensation and Governance Committee (the Committee ) of the Board of Directors (the Board ) of M&T Bank Corporation are:

Compensation. To discharge the responsibilities of the Board relating to the compensation of officers and employees of M&T Bank Corporation, including without limitation its Chief Executive Officer (the CEO ) and its executive officers, to maintain overall responsibility for approving and establishing all compensation plans, policies and programs relating to compensation and employee benefits, to produce the report that the rules and regulations of the Securities and Exchange Commission (the SEC ) require to be included in or incorporated by reference into the Company s proxy statement and annual report; and

Nomination and Governance. To assist the Board by identifying individuals who are qualified to become Board members, and to recommend to the Board the director nominees for the next annual meeting of stockholders; to recommend to the Board the M&T Bank Corporation Corporate Governance Standards; to lead the Board in its annual review of the Board s performance; and to recommend to the Board director nominees for each committee of the Board.

**Committee Membership.** The Committee shall consist of no fewer than three members. Each member of the Committee shall be (i) independent under the applicable requirements of the New York Stock Exchange, as interpreted by the Board in its business judgment, (ii) a non-employee director as defined under Section 16b-3 under the Securities Exchange Act of 1934, as amended, and (iii) an outside director as defined under Section 162(m) of the Internal Revenue Code, as amended.

The members of the Committee shall be appointed and replaced by the Board, based on the recommendation of the Committee, and shall serve for such term as the Board may determine and until their successors shall be duly qualified and appointed.

**Meetings.** The Committee shall meet as often as the Committee deems necessary. The Committee may request any officer or employee of M&T Bank Corporation to attend its meetings.

**Committee s Nomination and Governance Authority and Responsibilities.**

The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm s fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

The Committee shall actively seek individuals qualified to become board members when needed or as openings occur for recommendation to the Board, and will consider nominees recommended by stockholders that are properly submitted in writing to the

Corporate Secretary, which stockholder-recommended nominees will be evaluated in the same manner as all other nominees for director.

The Committee shall seek comments from all directors and report annually to the Board with an assessment of the Board's and management's performance, to be discussed with the full Board following the end of each fiscal year.

The Committee shall review and reassess the adequacy of the M&T Bank Corporation Corporate Governance Standards from time to time and recommend any proposed changes to the Board for approval.

The Committee shall serve as a resource to the Board in addressing any corporate governance issues or matters that may arise.

The Committee shall make regular reports to the Board.

**Committee's Compensation Authority and Responsibilities.**

The Committee shall periodically review and make recommendations to the Board with respect to the compensation and benefits of directors, including under any incentive compensation plans and equity-based compensation plans.

The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist it in the evaluation of director, CEO or executive officer compensation and shall have sole authority to approve the consultant's fees and the other terms and conditions of the consultant's retention. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and determine and approve the CEO's overall compensation levels based on this evaluation. In evaluating the incentive components of CEO compensation, the Committee shall consider M&T Bank Corporation's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years. Notwithstanding the foregoing, if any grant or award to the CEO is intended to qualify for the performance-based compensation exemption from the limitations on deductibility of executive compensation imposed by Section 162(m) of the Internal Revenue Code or any successor thereto, the Committee, rather than the Board, shall approve such award, but it may refer such award to the Board for ratification. All decisions of the Committee in respect of this paragraph shall be reported to the Board.

The Committee shall, at least annually, review and approve the annual base salaries and annual incentive opportunities of the CEO and executive officers. In addition, periodically and as and when appropriate, the Committee shall review and approve the following as they affect the CEO and executive officers: all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; any

employment agreements and severance arrangements; and any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits. In addition, the Committee shall receive periodic reports on M&T Bank Corporation's compensation programs as they affect all employees. Finally, the Committee shall review and approve any special or supplemental compensation and benefits for the CEO and executive officers and persons who formerly served as the CEO and executive officers, including supplemental retirement benefits and the perquisites provided to them during and after employment. All decisions of the Committee in respect of this paragraph shall be reported to the Board.

The Committee shall oversee M&T Bank Corporation's compliance with the requirement under New York Stock Exchange rules that shareholders approve equity compensation plans, with limited exceptions.

In connection with M&T Bank Corporation's proxy statement and annual report on Form 10-K, the Committee shall:

- (a) Review and discuss with management the Compensation Discussion and Analysis ( CD&A ) required by SEC Regulation S-K, Item 402 ( Item 402 ). Based on such review and discussion, determine whether to recommend to the Board that the CD&A in the form prepared by management be included in the proxy statement and incorporated by reference in the annual report on Form 10-K; and
- (b) Prepare the Compensation Committee report required by Item 402 for inclusion in the proxy statement and incorporation by reference in the annual report. This report shall state whether (i) the Committee reviewed and discussed with management the CD&A and (ii) based on such review and discussion, the Committee recommended to the Board that the CD&A be included in the proxy statement and incorporated by reference in the annual report on Form 10-K.

**Annual Performance Evaluation.** The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance.

**PROXY  
M&T BANK CORPORATION  
ANNUAL MEETING OF STOCKHOLDERS**

**April 17, 2007  
11:00 a.m. (EDT)**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby appoints Kevin R. Dunbar, Frederick W. Rich and Thomas E. Stout as Proxies and authorizes said Proxies, or any one of them, to represent and to vote all of the shares of common stock of M&T Bank Corporation which the undersigned may be entitled to vote at the Annual Meeting of Stockholders to be held on April 17, 2007 and any adjournments thereof (i) as designated on the items set forth on the reverse side and (ii) at the discretion of said Proxies, or any one of them, on such other matters as may properly come before the meeting.

**PLEASE COMPLETE, DATE, SIGN AND MAIL THIS PROXY PROMPTLY  
IN THE ENCLOSED POSTAGE PAID ENVELOPE OR  
VOTE VIA THE INTERNET OR BY TELEPHONE.**

*(Continued, and to be marked, dated and signed, on the reverse side)*

**FOLD AND DETACH HERE**

**M&T BANK CORPORATION ANNUAL MEETING, APRIL 17, 2007  
YOUR VOTE IS IMPORTANT!**

**Proxy materials are available online at:  
<https://www.proxyvotenow.com/mtb>  
or <http://ir.mandtbank.com>**

**You can vote in one of three ways:**

1. Call toll free **1-888-216-1320** on a Touch-Tone Phone and follow the instructions on the reverse side. There is **NO CHARGE** to you for this call.  
*or*
2. Via the Internet at <https://www.proxyvotenow.com/mtb> or <http://ir.mandtbank.com> and follow the instructions.  
*or*
3. Mark, sign and date your proxy card and return it promptly in the enclosed envelope.

**PLEASE SEE REVERSE SIDE FOR VOTING INSTRUCTIONS**

---

*The Board of Directors of M&T Bank Corporation recommends a vote FOR the following proposals.*

**Please mark x as indicated in this example**

1. ELECTION OF DIRECTORS.

**Nominees:**

- (1) Brent D. Baird, (2) Robert J. Bennett,
- (3) C. Angela Bontempo, (4) Robert T. Brady,
- (5) Michael D. Buckley,
- (6) T. Jefferson Cunningham III, (7) Mark J. Czarnecki, (8) Colm E. Doherty,
- (9) Richard E. Garman, (10) Daniel R. Hawbaker, (11) Patrick W.E. Hodgson,
- (12) Richard G. King, (13) Reginald B. Newman, II, (14) Jorge G. Pereira,
- (15) Michael P. Pinto, (16) Robert E. Sadler, Jr., (17) Eugene J. Sheehy,
- (18) Stephen G. Sheetz, (19) Herbert L. Washington, (20) Robert G. Wilmers

For	Withhold	For All
o	All	Except
o	o	o

**INSTRUCTION: To withhold authority to vote for any nominee(s), mark For All Except and write that nominee s(s ) name(s) or number(s) in the space provided below.**

Please be sure to date and sign this proxy card in the box below.

Date:

Sign in box above.

- |  |     |         |         |
|--|-----|---------|---------|
| 2. TO RATIFY THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE INDEPENDENT PUBLIC ACCOUNTANT OF M&T BANK CORPORATION FOR THE YEAR ENDING DECEMBER 31, 2007. | For | Against | Abstain |
|  | o   | o       | o       |

**IF PROPERLY EXECUTED, THIS PROXY WILL BE VOTED AS SPECIFIED OR, IF NOT SPECIFIED, WILL BE VOTED FOR BOTH PROPOSALS.**

- Mark here if you plan to attend the meeting. o
- Mark here to sign up for future electronic delivery of Annual Reports and Proxy Statements. o
- Mark here for address change and note change below. o

**PLEASE SIGN EXACTLY AS YOUR NAME(S) APPEAR(S) ON THIS CARD.**

When signing as an attorney, executor, administrator, trustee or guardian, please give full title. If a corporation or partnership, write in the full corporate or partnership name and have the President or other authorized officer sign. If shares are held jointly, each holder should sign, but only one signature is required.

+ **\*\*\* IF YOU WISH TO VOTE BY TELEPHONE OR INTERNET, PLEASE READ THE INSTRUCTIONS BELOW \*\*\*** +

**FOLD AND DETACH HERE IF YOU ARE VOTING BY MAIL  
PROXY VOTING INSTRUCTIONS**

Stockholders of record have three ways to vote:

1. By Mail; or
2. By Telephone (using a Touch-Tone Phone); or
3. By Internet.

A telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated and returned this proxy. Please note telephone and Internet votes must be cast prior to 3 am, April 17, 2007. It is not necessary to return this proxy if you vote by telephone or Internet.

**Vote by Telephone**

anytime prior to

3 am, April 17, 2007

Call Toll Free on a Touch-Tone Phone.

**1-888-216-1320**

**Vote by Internet**

anytime prior to

3 am, April 17, 2007, go to

**<https://www.proxyvotenow.com/mtb>**

or

**<http://ir.mandtbank.com>**

Please note that the last vote received, whether by telephone, Internet or by mail, will be the vote counted.

**ONLINE PROXY MATERIALS:**

Access at

**<https://www.proxyvotenow.com/mtb>**

or **<http://ir.mandtbank.com>**

**Your vote is important!**