

SIGNATURE BANK

To the Shareholders of Signature Bank,

Thank you for your ongoing support of and continued interest in Signature Bank. I am pleased to invite you to attend the Annual Meeting of Shareholders of Signature Bank to be held at The Roosevelt Hotel, 45 East 45th Street, New York, NY, on April 24, 2014 at 9:00 a.m., local time.

We have elected to take advantage of Federal Deposit Insurance Corporation and Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders on the Internet. We believe these rules allow us to provide our stockholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of producing and distributing materials for our annual meeting. Under these rules, you can vote in several ways. Follow the instructions provided in our communications with you. If you received a Notice of Internet Availability of Proxy Materials in the mail, you can vote over the Internet or, if you request printed copies of the proxy materials by mail, you can also vote by mail or by telephone.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement explain the matters to be voted on at the meeting. Your vote is important, regardless of the number of shares you own. On behalf of the Board of Directors, I urge you to mark, sign and return the enclosed proxy card as soon as possible, even if you plan to attend the Annual Meeting. You may, of course, revoke your proxy by notice in writing to Signature Bank's Corporate Secretary at any time before the proxy is voted. You may also access the Notice of Annual Meeting of Shareholders and the Proxy Statement via the Internet at www.signatureny.com under "*Investor Relations.*" Please read the enclosed Notice of Annual Meeting of Shareholders and Proxy Statement so you will be informed about the business to come before the meeting.

Sincerely,

/s/ Joseph J. DePaolo

Joseph J. DePaolo

President, Chief Executive Officer and Director

SIGNATURE BANK

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 24, 2014

To the Shareholders of Signature Bank,

The Annual Meeting of the holders of common stock of Signature Bank will be held at The Roosevelt Hotel, 45 East 45th Street, New York, NY, on April 24, 2014 at 9:00 a.m., local time:

1. To elect three members of the Board of Directors to serve until their successors have been duly elected and qualified;
2. To ratify the appointment of KPMG LLP, an independent registered public accounting firm, as the independent auditors for the year ending December 31, 2014;
3. To hold an advisory vote on executive compensation; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed March 6, 2014 as the record date for the Annual Meeting with respect to this solicitation. Only holders of record of Signature Bank's 47,295,412 shares of common stock at the close of business on that date are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof as described in the Proxy Statement.

The Bank is taking advantage of Federal Deposit Insurance Corporation and Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders on the Internet. Accordingly, the Bank is sending a Notice of Internet Availability of Proxy Materials to its stockholders of record and beneficial owners, unless they have directed the Bank to provide the materials in a different manner. The Notice of Internet Availability of Proxy Materials provides instructions on how to access and review all of the important information contained in the Company's Proxy Statement and Annual Report to Stockholders, as well as how to submit a proxy over the Internet. If a stockholder receives the Notice of Internet Availability of Proxy Materials and would still like to receive a printed copy of the Company's proxy materials, instructions for requesting these materials are included in the Notice of Internet Availability of Proxy Materials. The Bank plans to mail the Notice of Internet Availability of Proxy Materials to stockholders by March 14, 2014. The Bank will continue to mail a printed copy of this Proxy Statement and form of proxy to certain stockholders and it expects this mailing to begin on or about March 14, 2014.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, PLEASE FOLLOW THE INSTRUCTIONS IN THE COMPANY'S NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS TO VOTE YOUR PROXY. A PROXY MAY BE REVOKED BY A SHAREHOLDER ANY TIME PRIOR TO ITS USE AS SPECIFIED IN THE ENCLOSED PROXY STATEMENT.

By Order of the Board of Directors,

/s/ Patricia E. O'Melia
Patricia E. O'Melia
Corporate Secretary

This notice of annual meeting, proxy statement and form of proxy are being furnished on or about March 14, 2014 to Signature Bank shareholders of record.

TABLE OF CONTENTS

	<u>Page</u>
About the Meeting	1
Outstanding Voting Securities	5
Principal Shareholders	6
Election of Directors (Proposal No. 1)	8
Directors and Nominees	8
Executive Officers	10
Executive Compensation	12
Compensation of Directors	26
Report of the Compensation Committee on Executive Compensation	27
Report of the Examining Committee	28
Report of the Risk Committee	30
Certain Relationships and Related Transactions	31
Corporate Governance Principles and Board of Directors' Matters	31
Equity Incentive Plan Information	38
Ratification of Independent Auditors (Proposal No. 2)	39
Principal Auditor Fees and Services	39
Advisory Vote on Executive Compensation (Proposal No. 3)	40
Other Matters	41

SIGNATURE BANK
565 Fifth Avenue
New York, NY 10017

PROXY STATEMENT

The Board of Directors of Signature Bank, “we,” “our,” “us,” the “Bank” or the “Company,” is furnishing this Proxy Statement to solicit proxies for use at Signature Bank’s Annual Meeting of Shareholders (the “2014 Annual Meeting”), to be held on April 24, 2014 at 9:00 a.m., local time, at The Roosevelt Hotel, 45 East 45th Street, New York, NY, and at any adjournment of the meeting. Each valid proxy received in time will be voted at the meeting according to the choice specified, if any. A proxy may be revoked at any time before the proxy is voted as outlined below.

ABOUT THE MEETING

What is the purpose of the annual meeting?

At our 2014 Annual Meeting, shareholders will act upon the following matters which are outlined in the enclosed notice of meeting:

1. the election of three members of the Board of Directors to serve until their successors have been duly elected and qualified;
2. the ratification of the Company’s independent auditors;
3. an advisory vote on executive compensation; and
4. such other business as may properly come before the meeting or any adjournment thereof.

In addition, management will report on the performance of the Company and respond to questions from shareholders.

Who is entitled to vote at the meeting?

Only shareholders of record at the close of business on March 6, 2014, the record date for the meeting, are entitled to receive notice of and to participate in the 2014 Annual Meeting. If you were a shareholder of record on that date, you will be entitled to vote all of the shares that you held on that date at the meeting, or any postponements or adjournments of the meeting.

What are the voting rights of the holders of Signature Bank common stock?

Each outstanding share of Signature Bank common stock will be entitled to one vote on each matter considered at the 2014 Annual Meeting.

Who can attend the meeting?

All shareholders as of the record date, or their duly appointed proxies, may attend the 2014 Annual Meeting. If you attend, please note that you may be asked to present valid picture identification, such as a driver’s license or passport. Cameras, recording devices and other electronic devices will not be permitted at the meeting. Please also note that if you hold your shares in “street name” (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the votes represented by the common stock issued and outstanding on the record date will constitute a quorum, permitting the meeting to conduct its business. Proxies received but marked as withheld or abstentions and broker non-votes will be included in the calculation of the number of votes considered to be present at the meeting.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?

Pursuant to rules adopted by the FDIC and the Securities and Exchange Commission, we have elected to provide access to our proxy materials on the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials to our stockholders of record and beneficial owners. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice of Internet Availability of Proxy Materials or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials on the Internet or to request a printed copy may be found in the Notice of Internet Availability of Proxy Materials. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

How can I get electronic access to the proxy materials?

The Notice of Internet Availability of Proxy Materials will provide you with instructions regarding how to:

- View our proxy materials for the 2014 Annual Meeting on the Internet; and
- Instruct us to send future proxy materials to you electronically by email.

Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

How do I vote?

Your vote is important. Your shares can be voted at the annual meeting only if you are present in person or represented by proxy. Even if you plan to attend the meeting, we urge you to authorize your proxy in advance. We encourage you to authorize your proxy electronically by going to the www.proxyvote.com website or by calling the toll-free number (for residents of the United States and Canada) listed on your proxy card or in the Notice of Internet Availability of Proxy Materials. Please have your proxy card or Notice of Internet Availability of Proxy Materials in hand when going online or calling. ***If you authorize your proxy electronically, you do not need to return your proxy card.*** If you received proxy materials by mail and choose to authorize your proxy by mail, simply mark your proxy card, and then date, sign and return it in the postage-paid envelope provided.

If you hold your shares beneficially in a street name, i.e., through a nominee (such as a bank or broker), you may be able to authorize your proxy by telephone or the Internet as well as by mail. You should follow the instructions you receive from your broker or other nominee to vote these shares.

Can I change my vote after I return my proxy card?

Yes. Even after you have submitted your proxy, you may revoke or change your vote at any time before the proxy is exercised. You may revoke your proxy by:

- voting again on the Internet or telephone (only the latest Internet or telephone proxy will be counted);
- properly executing and delivering a later-dated proxy card;
- voting by ballot at the meeting; or
- sending a written notice of revocation to the inspectors of election in care of the Corporate Secretary of the Company at the address listed above.

What are the Board of Directors' recommendations regarding the agenda items?

Unless you give other instructions on your proxy card or through your electronic proxy, the persons named as proxy holders on the proxy card or in your electronic proxy will vote in accordance with the recommendations of the Board of Directors. The Board of Directors' recommendations are set forth together with the description of each item in this Proxy Statement. In summary, the Board of Directors recommends a vote:

- *for* the election of the nominees for the Board of Directors (see Proposal 1);
- *for* ratification of the appointment of KPMG LLP as the Company's independent auditors for fiscal year 2014 (see Proposal 2); and
- *for* the approval, on an advisory basis, of the compensation of our executive officers (see Proposal 3).

With respect to any other matter that properly comes before the meeting, including an adjournment of the meeting to a later time, the proxy holders will vote as recommended by the Board of Directors or, if no recommendation is given, in their own discretion, unless such matter is deemed significant, in which case no vote will be cast.

How are votes counted?

For Proposal 1 (election of directors), you may vote "FOR" all of the nominees or your vote may be "WITHHELD" with respect to one or more of the nominees. For Proposal 2 (ratification of the appointment of KPMG LLP as the Company's independent auditors for fiscal year 2014), and Proposal 3 (approval, on an advisory basis, of the compensation of our executive officers), you may vote "FOR," "AGAINST" or "ABSTAIN."

What happens if I do not give specific voting instructions?

Shareholders of Record. If you are a shareholder of record and you:

- indicate when voting on the Internet or by telephone that you wish to vote as recommended by the Board of Directors; or
- sign and return a proxy card without giving specific voting instructions,

then the proxy holders will vote your shares in the manner recommended by the Board of Directors on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the 2014 Annual Meeting. See the section entitled "Other Matters" below.

Beneficial Owners of Shares Held in Street Name. If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, pursuant to the applicable rules, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a "broker non-vote."

Which ballot measures are considered "routine" or "non-routine"?

The ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2014 (Proposal 2) is a matter considered routine under applicable rules. A broker or other nominee may generally vote on routine matters, and therefore no broker non-votes are expected to exist in connection with Proposal 2.

The election of directors (Proposal 1) and the advisory vote on executive compensation (Proposal 3) are matters considered non-routine under applicable rules. A broker or other nominee cannot vote without instructions on non-routine matters, and therefore there may be broker non-votes on Proposals 1 and 3.

How are broker non-votes and abstentions treated?

Broker non-votes and abstentions are counted for purposes of determining whether a quorum is present. Only “FOR” and “AGAINST” votes are counted for purposes of determining the votes cast in connection with each proposal. Therefore, broker non-votes and abstentions will not be counted as a vote “FOR” the election of directors in Proposal 1 and will have no effect on determining whether the affirmative vote constitutes a majority of the votes cast with respect to Proposals 2 and 3.

What vote is required to approve each item?

Election of Directors. The affirmative vote of a plurality of the votes cast at the meeting is required for the election of directors. In other words, the three persons receiving the highest number of “FOR” votes at the 2014 Annual Meeting will be elected as directors. A properly executed proxy marked “WITHHELD” with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum present at the meeting.

A policy adopted by the Board of Directors in January 2006 provides that if a director nominee receives a greater number of votes “WITHHELD” from his or her election than votes “FOR” that director’s election, the director nominee shall promptly tender his or her resignation for consideration by a committee formed by the Company’s independent directors. This committee will then recommend to the full Board of Directors the action to be taken with respect to such tendered resignation. Please see “Corporate Governance Principals and Board of Director Matters – Voting for Directors” below for more information.

Other Items. For each other item, the affirmative “FOR” vote of a majority of the votes cast on Proposals 2 and 3 will be required for approval. A properly executed proxy marked “ABSTAIN” with respect to any such matter will not be voted, although it will be counted for purposes of determining whether there is a quorum present at the meeting.

If you hold your shares in “street name” through a broker or other nominee, your broker or nominee may not be permitted to exercise voting discretion with respect to certain matters, including the election of directors. Thus, if you do not give your broker or nominee specific instructions, your shares may not be voted on those matters and will not be counted in determining the number of shares necessary for approval. Shares represented by such “broker non-votes” will, however, be counted in determining whether there is a quorum present at the meeting. Your broker or nominee will be permitted to exercise voting discretion with respect to other matters brought before the meeting.

What happens if additional matters are presented at the annual meeting?

Other than the items of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the 2014 Annual Meeting. If you grant a proxy, the persons named as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting, including an adjournment of the meeting to a later time. If for any unforeseen reason any of our nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board of Directors.

Who will bear the cost of soliciting votes for the annual meeting?

Signature Bank is making this solicitation and will pay the entire cost of preparing and distributing these proxy materials and soliciting votes. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities.

Where can I find the voting results of the annual meeting?

We intend to announce preliminary voting results at the 2014 Annual Meeting and publish the final results in a Current Report on Form 8-K within four business days of the 2014 Annual Meeting.

OUTSTANDING VOTING SECURITIES

The Company has fixed the close of business on March 6, 2014 as the record date for determining stockholders entitled to receive copies of this Proxy Statement. As of the record date, there were 47,295,412 shares of Signature Bank common stock outstanding. Each issued and outstanding share of Signature Bank common stock has one (1) vote on any matter submitted to a vote of stockholders.

PRINCIPAL SHAREHOLDERS

Beneficial Ownership Table

The table below sets forth, as of March 6, 2014, information with respect to the beneficial ownership of Signature Bank's common stock by:

- each of our directors, nominees for directors and each of the executive officers named in the Summary Compensation Table under "Executive Compensation";
- each person who is known to be the beneficial owner of more than 5% of any class or series of our capital stock; and
- all of our directors, nominees for directors and executive officers as a group.

The amounts and percentages of common stock beneficially owned are reported on the basis of applicable regulations governing the determination of beneficial ownership of securities. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities.

<u>Name and Address of Beneficial Owner⁽¹⁾</u>	<u>Shares of Common Stock Beneficially Owned on March 6, 2014</u>	
	<u>Number of Shares</u>	<u>Percentage of Class</u>
T. Rowe Price Associates, Inc. ⁽²⁾	3,728,000	7.9%
The Vanguard Group, Inc. ⁽³⁾	2,634,622	5.6%
Scott A. Shay ⁽⁴⁾⁽⁵⁾	308,087	*
Joseph J. DePaolo ⁽⁴⁾⁽⁵⁾	143,946	*
John Tamberlane ⁽⁴⁾⁽⁵⁾	67,900	*
Mark T. Sigona ⁽⁴⁾⁽⁵⁾	100,849	*
Michael Merlo ⁽⁴⁾⁽⁵⁾	79,765	*
Michael Sharkey ⁽⁴⁾⁽⁵⁾	28,118	*
Peter S. Quinlan ⁽⁴⁾⁽⁵⁾	57,948	*
Alfred B. DelBello ⁽⁴⁾⁽⁵⁾	20,935	*
Eric R. Howell ⁽⁴⁾⁽⁵⁾	32,611	*
Vito Susca ⁽⁴⁾⁽⁵⁾	8,297	*
Alfonse M. D'Amato ⁽⁴⁾⁽⁵⁾	5,500	*
Jeffrey W. Meshel ⁽⁴⁾⁽⁵⁾	13,864	*
Kathryn A. Byrne ⁽⁴⁾⁽⁵⁾	13,727	*
Judith A. Huntington ⁽⁴⁾⁽⁵⁾	2,274	*
Michael V. Pappagallo ⁽⁴⁾⁽⁵⁾⁽⁶⁾	3,274	*
All current directors, nominees and executive officers as a group (15 persons) ⁽⁴⁾⁽⁵⁾⁽⁶⁾	887,095	1.9%

* Less than 1%.

(1) Unless otherwise noted, the business address is c/o Signature Bank, 565 Fifth Avenue, New York, NY 10017.

(2) Pursuant to a Schedule 13G filed by T. Rowe Price Associates, Inc. on December 31, 2013, T. Rowe Price Associates, Inc., in its capacity as an investment advisor, may be deemed the beneficial owner of these shares. The business address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, MD 21202.

(3) Pursuant to a Schedule 13G filed by The Vanguard Group, Inc. on December 31, 2013, The Vanguard Group, Inc., in its capacity as an investment advisor, may be deemed the beneficial owner of these shares. The business address of The Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, PA 19355.

- (4) Includes, for each of the following persons, the respective number of shares of restricted stock and options exercisable currently or within 60 days of March 6, 2014:

<u>Name</u>	<u>Option Shares</u>	<u>Restricted Stock</u>
Scott A. Shay	—	30,038
Joseph J. DePaolo	—	39,290
John Tamberlane	—	24,599
Mark T. Sigona	—	27,615
Michael Merlo	—	27,701
Michael Sharkey	—	20,313
Peter S. Quinlan	—	24,685
Alfred DelBello	—	2,500
Eric R. Howell	—	27,744
Vito Susca	—	1,796
Alfonse M. D' Amato	—	2,500
Jeffrey W. Meshel	—	2,500
Kathryn A. Byrne	—	2,500
Judith Huntington	—	2,274
Michael Pappagallo	—	2,274

- (5) None of the named individuals has pledged any shares as security.
(6) Includes 1,000 shares directly owned by Mr. Pappagallo's spouse.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires the Company's executive officers, directors and persons who own more than 10% of Signature Bank's common stock to file reports of ownership and changes in ownership with the SEC. These persons are required to provide Signature Bank with copies of all Section 16(a) forms that they file. Based solely on Signature Bank's review of these forms and other representations from the executive officers and directors, Signature Bank believes that each of its executive officers and directors timely filed all reports of purchases or sales of common stock.

ELECTION OF DIRECTORS

(PROPOSAL NO. 1)

Signature Bank's restated organization certificate, as amended by the First Amendment to the Restated Organization Certificate (as so amended, the "Restated Organization Certificate"), divides the Company's Board of Directors into three classes, with three directors per class and with each class being elected to a staggered three-year term. At the 2014 Annual Meeting, three directors are nominated to serve as Class III Directors and the Board of Directors has endorsed such nominations. All of the nominees are currently directors of Signature Bank. The three directors nominated for election as Class III Directors at the 2014 Annual Meeting of Shareholders, each to serve a term ending at the 2017 Annual Meeting of Shareholders or until their respective successors have been elected and qualified, are Scott A. Shay, Joseph J. DePaolo and Alfred B. DelBello.

Directors not currently standing for re-election include Kathryn A. Byrne, Alfonse M. D'Amato and Jeffrey W. Meshel, who are Class I Directors serving terms ending at the 2015 Annual Meeting and John Tamberlane, Judith A. Huntington and Michael V. Pappagallo, who are Class II Directors serving terms ending at the 2016 Annual Meeting.

The persons named as proxies intend (unless authority is withheld) to vote for the election of all of the nominees for directors. Information regarding director nominees is set forth below.

If at the time of the 2014 Annual Meeting any of the nominees is unable or unwilling to serve as a director of Signature Bank, the persons named in the proxy intend to vote for such substitutes as may be nominated by our Board of Directors. Our Board of Directors knows of no reason why any nominee for director would be unable to serve as director.

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

DIRECTORS AND NOMINEES

The following table sets forth information regarding our directors and nominees:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Nominees for Election		
Scott A. Shay	56	Chairman of the Board of Directors
Alfred B. DelBello	79	Lead Director
Joseph J. DePaolo	54	President and Chief Executive Officer and Director
Directors Continuing in Office		
Kathryn A. Byrne	48	Director
Alfonse M. D'Amato	76	Director
Jeffrey W. Meshel	56	Director
John Tamberlane	72	Vice-Chairman and Director
Judith A. Huntington	50	Director
Michael V. Pappagallo	54	Director

In addition to the specific professional experience of each director, we chose our directors because they are highly accomplished in their respective fields, insightful and inquisitive. In addition, we believe each of our directors possesses sound business judgment and is highly ethical. While we do not have a formal diversity policy, consistent with our Nominating Committee Charter, we consider a wide range of factors in determining the composition of our Board of Directors, including professional experience, skills, education and training, and seek to ensure that our Board of Directors represents the communities that we serve.

Director Nominees

Alfred B. DelBello has been a Director of Signature Bank since January 2003. Since July 1995, Mr. DelBello has been a partner in the White Plains, New York-based law firm of DelBello Donnellan Weingarten Wise & Wiederkehr, LLP. Mr. DelBello served as Lieutenant Governor of the State of New York from 1983 to 1985, as Westchester County Executive from 1974 to 1983 and as Mayor of Yonkers from 1970 to 1974. Mr. DelBello currently serves as Chairman Emeritus of the Westchester County Association. Mr. DelBello's community ties developed through a long career in government and legal practice led the Board to conclude that he should be a member of our Board of Directors. In December 2011, Mr. DelBello was elected to be the Bank's Lead Independent Director.

Joseph J. DePaolo has been President and Chief Executive Officer and a Director of Signature Bank since its inception. He has also served as a Director of Signature Securities Group since its inception and served as its Chairman of the Board until December 2006. Prior to joining Signature Bank, Mr. DePaolo was a Managing Director and member of the Senior Management Committee of the Consumer Financial Services Division at Republic National Bank, which he joined in 1988. At Republic National Bank, Mr. DePaolo held numerous positions including First Vice President and Deputy Auditor, First Vice President and Senior Vice President of Consumer Banking, Managing Director, Chairman of Republic Financial Services Corporation (Republic National Bank's retail broker-dealer group) and Chairman of Republic Insurance Agency (Republic National Bank's retail insurance agency). Prior to joining Republic National Bank, Mr. DePaolo was a senior audit manager with KPMG Peat Marwick. Mr. DePaolo is a member of the New York State Society of CPAs. Mr. DePaolo's experience in commercial banking and his role as our President and Chief Executive Officer led the Board to conclude that he should be a member of our Board of Directors.

Scott A. Shay has served as Chairman of the Board of Directors of Signature Bank since its inception. He has also served as a Director of Signature Securities Group since its inception and as Chairman of the Board since December 2006. Since 1980, Mr. Shay has been involved in the investment banking and venture capital industries. Mr. Shay has been Managing Director/Partner of Ranieri Partners LLC and its predecessors ("Ranieri") and a partner of Hyperion Partners since 1988. Prior to joining Ranieri/Hyperion Partners, he served as a director and a senior member of the mergers and acquisitions department of Salomon Brothers, Inc. Mr. Shay serves as an officer or director of other direct and indirect subsidiaries of Ranieri and related entities. From October 1997 until August 2005, Mr. Shay served as a director of Bank Hapoalim BM, our former parent company. From December 1988 until February 2001, Mr. Shay served as a director of Bank United Corp., Texas and was a member of its audit committee for six years. Mr. Shay's experience in investment and commercial banking led the Board to conclude that he should be a member of our Board of Directors.

Directors Continuing in Office

John Tamberlane has been Vice-Chairman and Director of Signature Bank since its inception, as well as a Director of Signature Securities Group since its inception. Prior to joining Signature Bank, Mr. Tamberlane was the President of the Consumer Financial Services Division and a Director of Republic National Bank, which he joined in 1980. As President of the Consumer Financial Services Division, Mr. Tamberlane managed the national mortgage banking division, retail broker-dealer division and retail branch network, which grew to the third largest branch network in the New York metropolitan area prior to its acquisition. In this capacity, he was also President of two independent bank subsidiaries of Republic New York Corporation: The Manhattan Savings Bank and its predecessor, The Williamsburgh Savings Bank. Mr. Tamberlane was also a member of the Asset/Liability Management Committee of Republic National Bank. Prior to joining Republic National Bank, he was employed with Bankers Trust. Mr. Tamberlane's experience in commercial banking led the Board to conclude that he should be a member of our Board of Directors.

Judith A. Huntington has been a director of Signature Bank since April 2013. On July 1, 2011 Ms. Huntington assumed the position as the 13th president of The College of New Rochelle (CNR) after completing a full year as President-elect. Ms. Huntington joined CNR as Vice President for Financial Affairs in 2001, taking full responsibility for all fiscal issues involving the College. Ms. Huntington's experience includes more than 25 years in the financial arena. Prior to joining CNR, she worked for 15 years with the accounting firm KPMG LLP serving as audit senior manager in KPMG's metro New York higher education, research, and other not-for-profit practice, providing audit and accounting services. In addition to serving higher education clients, she worked in the firm's banking and SEC practice, was an instructor and recruiter in the firm, and participated in the firm's peer review process. In a firm-sponsored fellowship, she participated in a two-year rotation as an intern/fellow with the Financial Accounting Standards Board. Ms. Huntington is a certified public accountant. She is also a member of the Board of Directors of the Westchester County Association and the Commission of Independent Colleges and Universities. She also serves on the Lower Hudson Valley Catholic Consortium, and is a member of the Middle States Commission on Higher Education's evaluation team. Ms. Huntington's experience in the education and financial services sectors led the Board to conclude that she should be a member of our Board of Directors.

Michael V. Pappagallo has been a director of Signature Bank since April 2013. Mr. Pappagallo has been the President and Chief Financial Officer of Brixmor Property Group Inc. since May 2013. Brixmor owns and operates the nation's largest wholly-owned portfolio of grocery-anchored community and neighborhood shopping centers.

From April 2010-May 2013, Mr. Pappagallo was the Executive Vice President and Chief Operating Officer of Kimco Realty Corporation, the nation’s largest owner of neighborhood and community shopping centers. He also served as Kimco’s Chief Financial Officer from 1997 – 2010. Prior to joining Kimco in 1997, Mr. Pappagallo was Chief Financial Officer of GE Capital’s Commercial Real Estate Financing business and he held various other financial and business development positions at GE during his seven-year tenure. Mr. Pappagallo also served nine years at KPMG LLP as a senior manager in the audit group, serving clients in industries ranging from financial services to manufacturing. He is a certified public accountant and a member of the American Institute of Certified Public Accountants. He is also a member of the International Council of Shopping Centers. Mr. Pappagallo’s experience in the real estate and financial arenas led the Board to conclude that he should be a member of our Board of Directors.

Kathryn A. Byrne, CPA, has been a member of the Board of Directors since December 2005. Currently, she serves as the partner in charge of the international services group at the New York City-based accounting and consulting firm WeiserMazars LLP. Ms. Byrne has provided accounting, auditing, tax and consulting services to domestic and foreign corporations across various industries for more than 20 years. Ms. Byrne’s experience in the accounting profession, and, in particular, her experience auditing public companies, led the Board to conclude that she should be a member of our Board of Directors.

Alfonse M. D’Amato has been a member of the Board of Directors since July 2005. Senator D’Amato is the Managing Director of Park Strategies LLC, the Manhattan and Washington, D.C.-based business consulting firm he started in 1999. Senator D’Amato served as a United States Senator for New York for 18 years, from 1981 to 1999, during which time he served as Chairman of the Senate Committee on Banking, Housing and Urban Affairs and as a member of the Senate Finance Committee. Mr. D’Amato’s experience in government and as a public company director led the Board to conclude that he should be a member of our Board of Directors.

Jeffrey W. Meshel has been a member of the Board of Directors since September 2005. Mr. Meshel has over 25 years’ experience in acquisition, management, and lending on residential and commercial real estate. Mr. Meshel is also a co-founder of Paradigm Capital Group, Mercury Properties, and Mercury Equity Group. Paradigm Capital Group is a fully integrated real estate mortgage investment company. Mercury Properties is a fully integrated real estate holding company that owns, operates, and manages its own portfolio. Mercury Equity Group is a boutique NASD Broker/Dealer that specializes in private placements. Mercury Equity Group funds private investments in public entities (PIPEs) and has several joint ventures with a collection of hedge funds and wealth management firms. Mr. Meshel is also Founder and Chairman of The Strategic Forum. Mr. Meshel’s experience in lending and credit led the Board to conclude that he should be a member of our Board of Directors.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Scott A. Shay	56	Chairman of the Board of Directors
Joseph J. DePaolo	54	President and Chief Executive Officer, Director
John Tamberlane	72	Vice-Chairman, Director
Mark T. Sigona	52	Executive Vice President and Chief Operating Officer
Michael Merlo	66	Executive Vice President and Chief Credit Officer
Michael Sharkey	56	Senior Vice President and Chief Technology Officer
Eric R. Howell	43	Executive Vice President-Corporate & Business Development
Peter S. Quinlan	47	Executive Vice President and Treasurer
Vito Susca	45	Senior Vice President and Chief Financial Officer

For the background information regarding Scott A. Shay, Joseph J. DePaolo and John Tamberlane, see “Directors and Nominees,” above.

Mark T. Sigona is Executive Vice President and Chief Operating Officer of Signature Bank, a role to which he was appointed in November 2004. Prior to this appointment, he had been serving as Senior Vice President and Chief Financial Officer, a role he held since Signature Bank’s inception. Prior to joining Signature Bank, Mr. Sigona was a Senior Vice President and head of the Accounting Services Division of the Finance Group at

Republic National Bank, which he joined in March 1989. At Republic National Bank, Mr. Sigona held numerous positions, including First Vice President of the Finance Division and Internal Audit Manager. Prior to joining Republic National Bank, Mr. Sigona was a supervising senior accountant at KPMG Peat Marwick.

Michael Merlo is Executive Vice President and Chief Credit Officer of Signature Bank, a role to which he was appointed in November 2004. Prior to this appointment, he had been serving as Senior Vice President and Chief Credit Officer, a role he held since Signature Bank's inception. Prior to joining Signature Bank, he was a Senior Vice President with Fleet Bank. He joined Fleet through the acquisition of NatWest Bank by Fleet Bank in 1996 and held various credit positions within both the Large Corporate and the Middle Market Groups. His last position at Fleet was Head of the Middle Market Group in Long Island with a staff of 26 reporting to him. Mr. Merlo serves on the Board of Directors of New York Institute of Technology where he is a member of the Audit, Finance and Public Affairs committees.

Michael Sharkey was appointed to the role of Senior Vice President and Chief Technology Officer in November 2004. Prior to this appointment, he had been serving as Senior Vice President and Chief Operations Officer, a role he held since Signature Bank's inception. Before joining Signature Bank, Mr. Sharkey was an Associate Managing Director at Republic National Bank, which he joined in 1998. At Republic National Bank, Mr. Sharkey's responsibilities included retail banking systems, banking product management, ATM/debit processing cards, pension products, check processing and systems liaison, branch review and control as well as disaster recovery coordination.

Eric R. Howell has held the position of Executive Vice President-Corporate & Business Development since May 2013. Prior to this post, Mr. Howell served as Executive Vice President and Chief Financial Officer from 2009 and Senior Vice President and Chief Financial Officer from 2004. Prior to this appointment, he had been serving as Vice President of Finance and Controller for Signature Bank. He joined Signature Bank in 2000 as Vice President and Controller. Prior to joining Signature Bank, Mr. Howell was Controller at BlueStone Capital Partners, L.P. and its Trade.com division. Mr. Howell also was an Associate Managing Director at Republic National Bank, which he joined in 1992. Mr. Howell also held numerous other positions while at Republic National Bank, including Chief Financial Officer of Republic Financial Services Corporation (Republic National Bank's retail broker-dealer group) and Republic Insurance Agency (Republic National Bank's retail insurance agency).

Peter S. Quinlan serves as Treasurer and Executive Vice President of Signature Bank, a role to which he was promoted in February 2011. Prior to this post, he served as Treasurer and Senior Vice President of Signature Bank from November 2006. In this capacity he manages the investment portfolio, interest rate risk and liquidity management functions of the institution. Prior to this appointment, he had been serving as Treasurer of Signature Bank. He also serves as the Chairman of the Company's Asset Liability Management Committee. Prior to joining Signature Bank, he was a divisional Chief Financial Officer of Bank Hapoalim, which he joined in September 2000. He also previously served as the Treasurer of Clarity Holdings and Clarity Bank as well as the Controller of First Trade Union Bank. Mr. Quinlan began his banking career with the Office of the Comptroller of the Currency (OCC) as an Associate National Bank Examiner.

Vito Susca serves as Senior Vice President and Chief Financial Officer, managing the Bank's finance and accounting functions. He has held this position since May 2013. Mr. Susca joined the Bank in March 2004 and has served as Senior Vice President and Controller. Before joining the Bank, he held various positions at Republic National Bank of New York, which he joined in 1991, and then HSBC Bank USA/HSBC Securities Inc. following the acquisition of Republic by HSBC. Roles Susca held include Vice President and Deputy Controller in the Derivative Products Group and Vice President in the Global Trading Operations Financial Control Group. He was also First Vice President and Deputy Manager in Treasury Finance for HSBC Bank USA/HSBC Securities Inc.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This compensation discussion and analysis describes the material elements of compensation awarded to, earned by or paid to each of our named executive officers during the last completed fiscal year. To the extent that it enhances an understanding of our executive compensation disclosure, we also describe compensation actions taken before or after the last completed fiscal year. The individuals who served as the principal executive officer and principal financial officer during 2013, as well as the other individuals included in the Summary Compensation Table, are referred to as the “named executive officers.”

Executive Summary

As described in more detail in the Company’s Annual Report on Form 10-K, the Company achieved outstanding financial performance in 2013, including a 22% increase in annual earnings per share and a 23% increase in net income, as compared to fiscal 2012 performance. The Company exceeded its peers in 2013 in many significant performance metrics, year-over-year growth metrics and credit metrics. The price of the Company’s common stock, which trades under the symbol “SBNY” on the NASDAQ Global Select Market, increased 51% during 2013, outperforming the NASDAQ Bank Stocks Index over the same period. Some notable achievements included:

<u>Performance Metrics</u>	<u>Growth Metrics (over 2012)</u>	<u>Credit Metrics</u>
Return on Equity — 13.3%	Deposit Growth — +21.1%	Nonperforming asset ratio — 0.16%
Total Shareholder Return — 50.6%	Loan Growth — +38.4%	Net charge-offs/average loans — 0.12%
Efficiency Ratio — 36.3%	Pre-Tax Earnings Growth — +20.0%	

The following highlights the key compensation decisions that we made for our named executive officers for the 2013 fiscal year:

As part of our normal annual base salary review, we awarded a 3% increase in annual base salary to each named executive officer in January 2013 (effective in March 2013) and in January 2014 (effective in March 2014). Mr. Susca received a larger increase in recognition of his promotion to Chief Financial Officer.

In light of our named executive officers’ significant contributions to our strong financial performance in fiscal 2013, we awarded annual cash bonuses to each named executive officer for fiscal 2013 in amounts that generally represented a 11% increase (25% increase, in the case of our Chief Executive Officer) over the annual cash bonuses awarded for fiscal 2012. Mr. Susca’s increase in annual cash bonus also reflected an additional amount in recognition of his promotion to Chief Financial Officer.

We determined in the first quarter of 2014 to award restricted stock grants (based on fiscal 2013 performance) to our named executive officers of the same number of shares granted to them in the first quarter of 2013 (except for Mr. Susca, who was not previously a named executive officer, who received a higher number of shares than in 2013); such shares will vest equally over four years.

Compensation Program Objectives

Our primary objective with respect to executive compensation is to provide competitive compensation and benefits to attract, retain, motivate and reward the highest quality executive officers. Accordingly, we attempt to ensure that compensation provided to executive officers remains competitive relative to the compensation paid to similarly situated executives at peer companies in the banking industry. A further objective of our compensation program is to provide variable pay opportunities through cash bonuses and restricted stock awards that reward our officers based on achievement of both individual and Company financial results. In addition, we aim to establish compensation plans that align the performance of our executive officers with the Company’s objectives and the creation of long-term shareholder value, such as the reward of equity compensation which ties a portion of our executive compensation to the performance of our common stock. We believe an appropriate mix of an executive officer’s pay should be variable and performance-based in order to focus the executive officer on both our short-term and long-term strategic objectives.

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), we provided our shareholders with a non-binding advisory vote on our compensation program for our named executive officers. A significant margin of our shareholders, the holders of approximately 93% of our outstanding shares,

approved our compensation program. The Compensation Committee believes that the results of the “say-on-pay” vote provide further support to its view that the executive compensation program is appropriate, and the Compensation Committee determined not to make any changes to its design during 2013.

What Our Compensation Program Is Designed to Reward

Our compensation program is a competitive mix of base salary and incentive compensation designed to reward both the performance of the individual executive and the performance of the division or group he or she supervises and the Company as a whole, to the extent applicable. We aim to reward the achievement of Company and personal performance goals, in addition to other strategic achievements such as the Company’s growth, operating performance and development of the corporate culture.

Effect of Economic Volatility and Downturn on Executive Compensation

Due to economic volatility and the general global economic downturn over the last several years, we are mindful that we will need to consider the continued appropriateness of our executive compensation program, including the performance measures in our annual cash incentive plan, while taking into account the risk profile of the Company.

The Process of Setting Executive Compensation

Our Executive Chairman, Scott A. Shay, and our CEO, Joseph J. DePaolo, annually review each named executive officer’s compensation package, other than their own, in light of the performance of each officer. The conclusions reached and recommendations made based on these reviews, including those with respect to salary adjustments and annual award amounts, are then presented to the Compensation Committee for review and approval. Specifically, the Compensation Committee determines and approves the compensation packages of each of the Executive Chairman and the CEO and approves the compensation packages of each other named executive officer, giving significant deference to the views and recommendations of the Executive Chairman and CEO. The Executive Chairman and CEO were asked by the Compensation Committee about their own salary levels in light of internal equity considerations; however, the Compensation Committee exercises its full discretion in determining compensation.

Committee’s Compensation Consultant

The Compensation Committee has engaged the independent compensation consultant to the Compensation Committee, Frederic W. Cook & Co. (the “Committee’s consultant”), to both assist it in carrying out its responsibilities in this respect and to conduct periodic reviews of the total compensation program for executive officers. The Committee’s consultant provides the Compensation Committee with guidance and relevant market data to consider when making the compensation decisions for the Executive Chairman and CEO and when considering the recommendations made with respect to the other named executive officers. The Compensation Committee has the sole authority to retain or terminate consultants to assist it in the evaluation of director, chief executive officer and other executive compensation. The Compensation Committee has the sole authority to determine the terms of engagement and the extent of funding necessary for payment of compensation to any consultant retained to advise the Compensation Committee. The Committee’s consultant has not provided any services to management and will not do so without the prior approval of the Compensation Committee. The Compensation Committee believes that the Committee’s consultant is independent after taking into account the applicable factors set forth in new SEC rules and Nasdaq listing standards.

Determination of 2013 Peer Group

The market data provided by the Committee’s consultant enables the Compensation Committee to review compensation practices at peer companies in the banking industry and compare our named executive officers’ current compensation levels and any changes to the current compensation packages suggested by the Executive Chairman and CEO to competitive market norms. Each named executive officer’s position is compared to other executives of a similar skill level in positions of comparable scope and responsibility. This peer group may change from year to year depending on changes in the marketplace.

In connection with undertaking our review of potential peer group companies for 2013, as in prior years, we observed that there are not a great number of banks whose business strategies are sufficiently similar to ours, and that most of those banks have a larger retail component than we do. We believe that some of our most direct peer banks against whom we compete for business are the small portion of the larger banks (including JP Morgan Chase, Bank of America, HSBC and Citigroup) that operate in the same middle market space as we do; however, it is methodologically difficult to compare compensation levels between us and large banks. We are also especially cognizant of certain factors that investors and credit analysts take into account in analyzing a bank's status, including particularly the level of a bank's nonperforming assets.

We proceeded to review banks in our region that could possibly be characterized as our competitors. These banks do not precisely engage in the same business that we do or directly compete with us. We then expanded our review to look at all public banks and thrifts with between \$12 billion and \$41 billion of assets, intending to locate a group of banks with mean and median asset sizes that are similar to our size (approximately \$21.0 billion) on September 30, 2013, the date of this review. As of December 31, 2013, our assets were approximately \$22.4 billion. Of these, we limited our search to those banks that were profitable and had less than 1% nonperforming assets. We focused on companies that are truly middle market banks (not retail banks that have primarily fee-oriented businesses) and have achieved significant growth in deposits and specifically in non-interest bearing deposits.

In accordance with the foregoing process and analysis, we have determined that our peer group for 2013 included the following ten banks that satisfied all five of the following criteria: (i) they had assets of between \$12 billion and \$41 billion; (ii) they had a positive 'Return on Average Assets', that is, they were profitable; (iii) their adjusted nonperforming assets constituted less than 1% of their total assets; (iv) they are top tier banks or bank holding companies based in the United States; and (v) they are public depository institutions:

- First Republic Bank
- Bank of Hawaii Corporation
- BOK Financial Corporation
- City National Corporation
- Commerce Bancshares, Inc.
- Cullen/Frost Bankers, Inc.
- Prosperity Bancshares, Inc.
- SVB Financial Group
- UMB Financial Corporation
- Bank United, Inc.

While information regarding pay practices at peer companies is useful to ensure our compensation practices are both reasonable and competitive in the marketplace, we do not believe that it is appropriate to establish compensation levels primarily based on benchmarking, in light of the belief that, at this stage in the Company's development, more flexibility, especially with respect to executive compensation, is necessary in order to successfully increase franchise value. Accordingly, data obtained from review of the peer group information is only one of several reference points for setting of actual compensation. The Compensation Committee reviews and approves each element of compensation for each named executive officer by taking into consideration the Executive Chairman and CEO recommendations, competitive pay practices at peer companies in the banking industry, including the peer group, the relative compensation levels among the Company's senior executive officers; historical compensation levels of the individual executive; the performance of the executive officer; and the performance of the Company.

As an additional primary comparison measure, we also reviewed the pay practices of a smaller alternative peer group consisting of five public depository institutions whose business model we consider to be most similar to ours. This alternative peer group was comprised of First Republic Bank, City National Corporation, East West Bancorp Inc., PrivateBancorp Inc. and Boston Private Financial Holdings Inc. This review further confirmed that the pay of our named executive officers was appropriate and competitive across not only the broader peer group but also among those institutions with similar operations.

The Process of Setting CEO Compensation

The Executive Chairman and the Compensation Committee participate in an annual evaluation of the performance of our CEO and the Compensation Committee determines and approves the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Executive Chairman and the Compensation Committee will also consider, among such other factors, the Company's performance, shareholder returns, the value of similar incentive awards to chief executive officers at comparable banks and the awards given to the CEO in past years. Neither the CEO nor the Executive Chairman is present during voting or deliberations relating to their own compensation.

Elements of Compensation for 2013 and Why We Chose to Pay Each Element

For our fiscal year ended December 31, 2013, the principal components of compensation for the named executive officers were:

- base salary;
- annual cash bonus;
- restricted stock awards;
- payment with respect to benefits under life insurance and disability policies;
- employment agreements for our Executive Chairman and CEO, including any change of control or severance provisions set forth in those agreements; and
- eligibility to receive benefits under our Change of Control Severance Plan for Key Corporate Employees.

Consistent with and in promotion of the compensation program objectives detailed above, a significant percentage of total compensation is allocated to incentives in order to motivate the named executive officers to achieve the business goals set by the Company and reward the officers for achieving such goals. There is no pre-established policy or target for allocating compensation between long-term and currently paid out compensation, between cash and non-cash compensation, among different forms of non-cash compensation, or among named executive officers. Rather, we look at an executive's goals and responsibilities to determine the appropriate level and mix of incentive compensation.

Historically, and in 2013, the Compensation Committee granted a significant amount of total compensation to the named executive officers as non-cash incentive compensation in the form of restricted stock awards, believing that such awards align the goals of our executives with those of our shareholders.

Base Salary. We provide executive officers with a base salary to compensate them for services rendered during the fiscal year. This process also enables us to attract and retain an appropriate caliber of talent for the position and to provide a base level of monthly income that is not subject to our performance risk. We conduct a review of base salaries annually, and during such a review we generally consider each named executive officer's individual past performance, the scope of the role and responsibilities of the executive officer within our organization, and the performance of the organization as a whole. We also review the officer's compensation relative to that of our other officers and to the market for officers of similar expertise and experience. In January 2014 (as in January 2013), the Compensation Committee met and approved increases of 3% in the annual base salary for each of the following named executive officers, effective March 2014: Joseph J. DePaolo from \$624,695 to \$643,436; Scott A. Shay from \$516,805 to \$532,309; Eric R. Howell from \$357,925 to \$368,663; Michael Merlo from \$387,025 to \$398,636; and John Tamberlane from \$387,025 to \$398,636. Vito Susca's annual base salary was increased from \$250,000 to \$285,000 (which reflected not only the annual merit increase but also his promotion to Chief Financial Officer). These increases ensure that the base salaries we provide remain competitive in the market for executives of similar expertise and experience.

Annual Cash Bonus. We award annual cash bonuses to reward performance achievements with a time horizon of one year or less. We provide this opportunity to attract and retain an appropriate caliber of talent for the position and to motivate executives to achieve our annual business goals. We review cash incentive awards annually to determine award payments for the last completed fiscal year, as well as to establish award opportunities for the current fiscal year.

The employment agreements of both the Executive Chairman and the CEO provide that each shall receive an annual bonus based on the achievement of certain performance criteria determined by the Board. Pursuant to the terms of his chairman agreement, the bonus received by the Executive Chairman is to be 50% of the rate in effect for the CEO, which is also established annually pursuant to the terms of his employment agreement.

All annual cash bonuses are granted pursuant to our 2004 Equity Plan. The 2004 Equity Plan was last approved by our stockholders at our 2013 annual meeting.

Pursuant to the 2004 Equity Plan, during the first quarter of 2013, our Compensation Committee, which consists of members of our Board who were “outside directors” as defined in Section 162(m) of the Internal Revenue Code, established objective performance criteria (achievement of a specified level of after-tax net income) in order to comply with the requirements of Section 162(m) of the Internal Revenue Code to permit annual cash bonuses (and grants of restricted stock, described below under “—Restricted Stock Awards”) to be fully deductible for federal income tax purposes. For 2013, the Compensation Committee determined that bonuses (in the form of cash bonuses and restricted stock awards) would be payable only if the Company’s after-tax net income was at least \$100 million, provided that the aggregate amount of annual cash bonus plus the value of restricted stock granted in respect of 2013 performance (based on the closing price of the Company’s common stock on the date of grant) for any named executive officer would not exceed the lesser of (i) nine times the named executive officer’s base salary and (ii) \$6,000,000. With respect to annual cash bonuses, the 2004 Equity Plan provides that the maximum annual cash bonus any single participant may receive is \$5,000,000.

To determine the actual bonus amounts, the Compensation Committee reviews additional quantitative and qualitative criteria. With respect to both types of criteria, attainment of any specific level of performance or specific qualitative goal does not determine the amount of the bonus. The Compensation Committee may exercise discretion to determine what the amount of the bonus will be by looking at all of the criteria together.

The quantitative performance criteria considered by the Compensation Committee to determine cash bonuses for 2013 included the following: deposit growth, trends in nonperforming assets, tangible capital levels, return on assets, return on equity, earnings per share, comparison of actual performance against budget, net income, loan growth and efficiency ratio. In particular, in the case of the Chairman and the CEO, the Compensation Committee had set proposed quantitative criteria that included (1) net income of at least \$215 million (adjusted as applicable for any FDIC special assessments), (2) deposit growth of at least \$1.4 billion, (3) an efficiency ratio of not more than 40%, (4) achieving a tangible capital ratio that would enable us to remain strong compared to other banks in our peer group, and (5) maintaining a level of nonperforming assets that were significantly lower than the banking industry as a whole. The other named executive officers’ performance was also assessed based on degree of attainment of these goals. The qualitative criteria considered by the Compensation Committee included the following, and were tailored to the named executive officer’s position: reputation and ratings of the Company; maintaining the business philosophy and culture of the Company; and continued development and adherence to appropriate and prudent business strategy and decision making with regard to acquisition of securities, credit determinations, problem resolution and the addition of new private client groups, among others.

The Compensation Committee reviews the performance of each of our named executive officers relative to their annual fiscal year target bonus plan objectives at its regularly scheduled annual meeting. Based on such review, the Compensation Committee determines and approves the annual cash bonuses for each of our named executive officers.

The Compensation Committee noted that the Company had outperformed its 2012 performance and budgeted 2013 performance in all major financial categories, including total assets, total loans, total deposits, net income and return on average assets. The Compensation Committee further reflected on the fact that, in keeping with the view of the management team as founders of the Bank, the Compensation Committee has historically been sensitive to and restrained towards its compensation for the named executive officers. Finally, the Compensation Committee took note of the global economic environment in determining appropriate levels of compensation for its senior management team. Given our superior financial performance during 2013, the Compensation Committee determined that an increase in annual cash bonuses over 2012 levels was appropriate, and accordingly the Compensation Committee approved cash bonuses for fiscal 2013 in the amounts of \$2,250,000 for Mr. DePaolo, \$1,000,000 for Mr. Shay, \$200,000 for Mr. Susca and \$500,000 for each of Messrs. Tamberlane, Merlo and Howell.

Restricted Stock Awards. Restricted stock awards are granted pursuant to our 2004 Equity Plan. The purpose of our 2004 Equity Plan is to give us a competitive advantage in attracting, retaining and motivating officers, employees, directors and/or consultants and to provide us and our subsidiaries and affiliates with a stock plan providing incentives directly related to increases in shareholder value. We review long-term equity incentives annually, and for the last completed fiscal year, our long-term equity incentive program consisted of grants of restricted stock. We use awards of restricted stock as a long-term incentive vehicle because it aligns the interests of executives with those of shareholders, supports a pay-for-performance culture, fosters employee stock ownership, and focuses the management team on increasing value for the shareholders and on the organization's long-term performance. Our annual grant amounts reflect the Committee's evaluation of executive officer performance in the preceding year. The restricted stock historically has been subject to a three-year pro-rata vesting period which is important in encouraging executive retention and preserving shareholder value through alignment, as mentioned above; however, our grants made in 2011 and later to senior management are subject to a four-year pro-rata vesting period in light of the increased values of the restricted stock grants attributable to increase in our stock price since the 2010 grants were made. (Grants to Mr. Susca prior to his becoming a named executive officer are subject to three-year pro-rata vesting.) Vesting is dependent on the officer's continued service and does not require any new performance component, as prior performance is taken into account in making the grant. By creating the incentive for executives to stay with us for longer periods of time, this provides us with greater stability during our period of growth.

The Compensation Committee, as well as the Board, has the authority to determine the terms and conditions of any agreements evidencing any awards granted under our 2004 Equity Plan, and to adopt, alter and repeal rules, guidelines and practices relating to our 2004 Equity Plan. Unless the Compensation Committee determines otherwise, or specifies otherwise in an award agreement, if the participant terminates employment during the restricted period, then any unvested restricted stock will be forfeited.

The amounts of restricted stock awards are recommended by the Executive Chairman and CEO to the Compensation Committee. The ability of the individual to affect profits and shareholder value, and his or her historic and recent performance are also considered.

All awards of restricted stock under the aforementioned program are made at the closing price of our common stock on the Nasdaq National Market on the date of the grant. We generally only grant awards of restricted stock on an annual basis on March 22nd, the anniversary date of our initial public offering. The Company does not time, or plan to time, its release of material nonpublic information for the purpose of affecting the value of executive compensation. The Compensation Committee, in determining the amount of restricted stock that was awarded in March 2013, took into account the same factors that were taken into account in determining the annual cash bonuses for the 2012 fiscal year discussed in last year's proxy statement (namely, growth in the number of private client groups, deposit growth, asset growth, return on assets, return on equity, earnings per share, comparison of actual performance against budget, net income, loan growth and efficiency ratio; as well as qualitative criteria tailored to the named executive officer's position: reputation and ratings of the Company; maintaining the business philosophy and culture of the Company; and continued development and adherence to appropriate and prudent business strategy and decision making with regard to acquisition of securities, credit determinations, problem resolution and identifying private client groups, among others). The total amounts of restricted stock awarded are set forth in the Grants of Plan-Based Awards Table and reported in the Summary Compensation Table. The combined value of the restricted stock grants awarded in March 2013 plus the annual cash bonuses paid in 2013 (in respect of fiscal 2012 performance) were less than the maximum amount set by the Compensation Committee during fiscal 2012 and previously disclosed in last year's proxy statement.

Executive Benefits; No Perquisites. We do not provide any named executive officers with perquisites or other personal benefits. Named executive officers are, however, eligible for participation in the Signature Bank 401(k) plan under which we currently provide a tiered matching feature: 100% of the first 3% contributed and 50% of the next 4% contributed. (Substantially all of our employees are eligible to participate in this plan.) Taxes are also paid on behalf of named executive officers with respect to benefits under disability and life insurance policies. We provide these as additional incentives for our executives and to remain competitive in the general marketplace for executive talent. Named executive officers are additionally eligible for participation in the company-wide employee benefit programs that include medical, dental, vision, prescription drug, life insurance, accidental death and dismemberment, short-term and long-term disability, flexible spending account and other voluntary benefits.

Severance and Change of Control Arrangements. Our Change of Control Severance Plan for Key Corporate Employees is designed to assure the Company of the continued employment and attention and dedication to duty of certain of its key management employees and to seek to ensure the availability of their continued service, notwithstanding the possibility or occurrence of a change of control of the Company. These arrangements include a “gross up” provision to the extent amounts due under the plan are more than 10% greater than the level that would avoid triggering excise taxes pursuant to Section 280G and Section 4999 of the Internal Revenue Code of 1986, as amended (the “Code”). Messrs. DePaolo and Shay have additional arrangements under their employment agreement and chairman agreement, respectively, each as described under “Potential Post-Employment Payments Upon Termination or Change of Control” below. The amount of severance under Messrs. DePaolo’s and Shay’s agreements, and the multiples applicable to severance pay under the Change of Control Severance Plan for Key Corporate Employees is an amount the Company has determined is necessary to remain competitive in the marketplace for executive talent.

Deductibility of Executive Compensation. We generally seek to maximize the deductibility for federal income tax purposes of all elements of compensation of our named executive officers. Under Section 162(m) of the Internal Revenue Code, compensation paid to our CEO and the three other most highly compensated named executive officers employed at the end of the year (other than our CFO) in excess of \$1 million per year is not deductible unless the compensation is “performance-based” as described in the regulations under Section 162(m). Compensation is generally “performance-based” if it is determined using pre-established objective formulas and criteria approved by stockholders. Under our 2004 Equity Plan, which, as described above, also provides for annual cash incentive bonus awards, if the applicable performance goals are satisfied, the Company will be able to obtain tax deductions with respect to awards made under the plan, without regard to the limitations of Section 162(m). The Compensation Committee, however, reserves the right to issue awards under our 2004 Equity Plan to our executive officers that are not tax deductible under Section 162(m) when, in the exercise of the Compensation Committee’s judgment, such pay would be in the best interests of the Company and its shareholders.

Summary Compensation Table

The following table sets forth the cash and non-cash compensation paid by or incurred on behalf of Signature Bank during the years ended December 31, 2011, December 31, 2012 and December 31, 2013 to its named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Non-Equity Incentive Plan (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$)	All Other Compensation (\$) ⁽²⁾	Total (\$)
Joseph J. DePaolo, President and CEO	2013	624,695	—	2,250,000	2,709,284	—	27,330	5,611,309
	2012	606,500	—	1,800,000	2,202,008	—	28,816	4,637,324
	2011	577,500	—	1,500,000	1,813,548	—	27,469	3,918,517
Eric R. Howell, Executive Vice President- Corporate & Business Development	2013	357,925	—	500,000	1,806,189	—	13,056	2,677,170
	2012	347,500	—	450,000	1,468,005	—	12,806	2,278,311
	2011	330,750	—	375,000	1,218,358	—	12,555	1,936,663
Scott A. Shay, Chairman of the Board	2013	516,805	—	1,000,000	2,167,427	—	14,040	3,698,272
	2012	501,750	—	900,000	1,761,606	—	13,790	3,177,146
	2011	477,750	—	750,000	1,540,581	—	12,940	2,781,271
John Tamberlane, Vice-Chairman	2013	387,025	—	500,000	1,806,189	—	18,987	2,712,201
	2012	375,750	—	450,000	1,468,005	—	18,732	2,312,237
	2011	351,750	—	375,000	1,190,326	—	18,748	1,935,554
Michael Merlo, Executive Vice President and Chief Credit Officer	2013	387,025	—	500,000	1,806,189	—	16,589	2,709,803
	2012	375,750	—	450,000	1,468,005	—	14,506	2,308,011
	2011	351,750	—	375,000	1,209,014	—	14,254	1,950,018
Vito Susca, Senior Vice President and CFO ⁽³⁾	2013	250,000	—	200,000	135,034	329,340	12,669	927,043

- (1) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Refer to Note 2(q) — Stock-Based Compensation to our consolidated financial statements in our Annual Report on Form 10 K filed with the FDIC for fiscal year ended December 31, 2013 for our accounting policy related to stock-based compensation for a discussion of assumptions made in the valuation in this column.
- (2) Amounts in this column represent Company matching contributions to our 401(k) plan and payment of taxes on behalf of the executive officers for certain payments under disability and life insurance plans and imputed income on the taxable portion of group term life insurance and bank owned life insurance. For each executive officer, the Company matching contribution was \$12,750 (except for Mr. Susca whose matching contribution was \$12,212). For each executive officer, the amount of such tax payments was: Mr. DePaolo — \$14,850; Mr. Howell — \$306; Mr. Shay — \$1,290; Mr. Tamberlane — \$6,237; Mr. Susca — \$457 and Mr. Merlo — \$3,839.
- (3) Mr. Susca first became a named executive officer in 2013.

Grants of Plan-Based Awards in 2013 Fiscal Year

The following table presents information with respect to each award made to our named executive officers under (i) our 2004 Equity Plan in 2013, and (ii) in accordance with the terms of each of our CEO's and Executive Chairman's employment agreements. No stock options were granted to our named executive officers during 2013.

Name	Grant Date	Corporate Action Date ⁽¹⁾	Estimated Possible Payouts	All Other	Fair Value of Stock Awards (\$) ⁽⁴⁾
			Under Non-Equity Incentive Plan Awards	Stock Awards: Number of Shares of Stock (#) ⁽³⁾	
			Maximum (\$) ⁽²⁾		
Joseph J. DePaolo	03/22/2013	01/28/2013	4,372,865	34,650	2,709,284
Eric R. Howell	03/22/2013	01/28/2013	2,505,475	23,100	1,806,189
Scott A. Shay	03/22/2013	01/28/2013	3,617,635	27,720	2,167,427
John Tamberlane	03/22/2013	01/28/2013	2,709,175	23,100	1,806,189
Michael Merlo	03/22/2013	01/28/2013	2,709,175	23,100	1,806,189
Vito Susca	03/22/2013	02/20/2013	1,750,000	1,727	135,034

- (1) Represents the date of the Compensation Committee meeting at which the specified grants of equity-based compensation were approved.
- (2) Represents the maximum payout under our annual cash bonus plan, which has no specific threshold or target payout levels, as described in the "Annual Cash Bonus" section of the Compensation Discussion and Analysis, above.
- (3) All restricted shares granted on March 22, 2013 vest equally over four years beginning on March 24, 2014, except for the restricted shares granted to Mr. Susca on March 22, 2013, which vest equally over three years beginning on March 24, 2014.
- (4) The March 22, 2013 grant date fair value is calculated as the number of shares granted multiplied by the closing price of our common stock on March 22, 2013 (\$78.19).

Employment Agreements

The only named executive officers who are currently party to an employment agreement are our CEO and our Executive Chairman. As discussed in the "Compensation Discussion and Analysis" section, above, each of these officers signed an agreement to limit his rights to any payments and benefits to the extent required under executive compensation rules applicable to participants in the Capital Purchase Program. We exited the Capital Purchase Program in March 2009, and those agreements expired.

Employment Agreement with Joseph J DePaolo

In March 2004, we entered into an employment agreement with Joseph J. DePaolo, which provides that Mr. DePaolo is to serve as our President and CEO for a three-year period (with automatic one-year renewals unless either party gives 90 days' prior written notice of its intent to terminate the agreement) or until we terminate his employment or he resigns. The agreement provides Mr. DePaolo with a base salary that may be adjusted annually at the Board's discretion (such base salary was \$624,695 in 2013), an annual bonus subject to meeting certain performance-based criteria to be determined from time-to-time by the Board, participation in our 2004 Equity Plan, and eligibility for our employee benefit plans and other benefits provided in the same manner and to the same extent as to our other executive employees. Mr. DePaolo's employment agreement also contains confidentiality provisions and a covenant not to solicit employees or clients during his employment term and for a period of one year thereafter.

The agreement provides that Mr. DePaolo will receive life insurance with a death benefit equal to three times his annual base salary and long-term disability insurance up to the age of 65 in an amount not less than 50% of his annual base salary.

Chairman Agreement with Scott A. Shay

In March 2004, we entered into a chairman's employment agreement, which provides that Mr. Shay serve as our Executive Chairman for a three-year period (with automatic one-year renewals unless either party gives 90 days prior written notice of its intent to terminate the agreement) or until we terminate his service or he resigns.

The agreement provides that Mr. Shay will receive a base fee that may be adjusted annually at the Board's discretion (such base fee was \$516,805 in 2013), an annual bonus of 50% of the rate in effect for the CEO, subject to meeting certain performance-based criteria to be determined from time-to-time by the Board, participation in our 2004 Equity Plan, and eligibility for our employee benefit plans and other benefits provided in the same

manner and to the same extent as to our other executive employees. Mr. Shay's chairman agreement also contains confidentiality provisions and a covenant not to solicit employees or clients during the term of his agreement and for a period of one year thereafter.

Outstanding Equity Awards At 2013 Fiscal Year-End

The following table provides information about each of the outstanding awards of options to purchase our common stock and restricted shares of our common stock held by each named executive officer as of December 31, 2013. The Company has not granted any performance based equity awards.

<u>Name</u>	<u>Number of Shares of Stock That Have Not Vested (#)</u>	<u>Market Value of Shares of Stock That Have Not Vested (\$)⁽¹⁾</u>
Joseph J. DePaolo	145,273	15,605,226
Eric R. Howell	104,474	11,222,597
Scott A. Shay	108,004	11,601,790
John Tamberlane	89,138	9,575,204
Michael Merlo	104,388	11,213,359
Vito Susca	3,550	381,341

(1) Market value is based on the \$107.42 closing price of our common stock on Nasdaq National Market of December 31, 2013.

<u>Restricted Shares</u>				
<u>Name</u>	<u>Grant Date</u>	<u>Number of Shares or Units of Stock That Have Not Vested (#)</u>	<u>Vesting Period</u>	<u>Final Vesting Date</u>
Joseph J. DePaolo	4/17/2008	67,848	Equally – 5 Years ⁽¹⁾	4/17/2018
	3/22/2011	16,788	Equally – 4 Years ⁽²⁾	3/23/2015
	3/22/2012	25,987	Equally – 4 Years ⁽³⁾	3/22/2016
	3/22/2013	34,650	Equally – 4 Years ⁽⁴⁾	3/22/2017
Eric R. Howell	4/17/2008	52,771	Equally – 5 Years ⁽¹⁾	4/17/2018
	3/22/2011	11,278	Equally – 4 Years ⁽²⁾	3/23/2015
	3/22/2012	17,325	Equally – 4 Years ⁽³⁾	3/22/2016
	3/22/2013	23,100	Equally – 4 Years ⁽⁴⁾	3/22/2017
Scott A. Shay	4/17/2008	45,232	Equally – 5 Years ⁽¹⁾	4/17/2018
	3/22/2011	14,262	Equally – 4 Years ⁽²⁾	3/23/2015
	3/22/2012	20,790	Equally – 4 Years ⁽³⁾	3/22/2016
	3/22/2013	27,720	Equally – 4 Years ⁽⁴⁾	3/22/2017
John Tamberlane	4/17/2008	37,694	Equally – 5 Years ⁽¹⁾	4/17/2018
	3/22/2011	11,019	Equally – 4 Years ⁽²⁾	3/23/2015
	3/22/2012	17,325	Equally – 4 Years ⁽³⁾	3/22/2016
	3/22/2013	23,100	Equally – 4 Years ⁽⁴⁾	3/22/2017
Michael Merlo	4/17/2008	52,771	Equally – 5 Years ⁽¹⁾	4/17/2018
	3/22/2011	11,192	Equally – 4 Years ⁽²⁾	3/23/2015
	3/22/2012	17,325	Equally – 4 Years ⁽³⁾	3/22/2016
	3/22/2013	23,100	Equally – 4 Years ⁽⁴⁾	3/22/2017
Vito Susca	3/22/2011	617	Equally – 3 Years ⁽⁵⁾	3/24/2014
	3/22/2012	1,206	Equally – 3 Years ⁽⁶⁾	3/23/2015
	3/22/2013	1,727	Equally – 3 Years ⁽⁷⁾	3/22/2016

- (1) Award vests equally over five years, commencing on the sixth anniversary of grant.
- (2) Award vests equally over four years on March 22, 2012, March 22, 2013, March 24, 2014, and March 23, 2015. The shares originally scheduled to vest on March 22, 2013 vested on December 10, 2012.
- (3) Award vests equally over four years on March 22, 2013, March 24, 2014, March 23, 2015, and March 22, 2016. The shares originally scheduled to vest on March 22, 2013 vested on December 10, 2012.
- (4) Award vests equally over four years on March 24, 2014, March 23, 2015, March 22, 2016, and March 22, 2017.
- (5) Award vests equally over three years on March 22, 2012, March 22, 2013, and March 24, 2014. The shares originally scheduled to vest on March 22, 2013 vested on December 10, 2012.
- (6) Award vests equally over three years on March 22, 2013, March 24, 2014, and March 23, 2015. The shares originally scheduled to vest on March 22, 2013 vested on December 10, 2012.
- (7) Award vests equally over three years on March 24, 2014, March 23, 2015, and March 22, 2016.

Option Exercises and Stock Vested During 2013 Fiscal Year

The following table sets forth as to each of the named executive officers information on exercises of options to purchase our common stock and the vesting of restricted shares of our common stock during 2013.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) ⁽¹⁾	Value Realized on Exercise (#) ⁽¹⁾	Number of Shares Acquired on Vesting (\$)	Value Realized on Vesting (\$)
Joseph J. DePaolo	—	—	—	—
Eric R. Howell	—	—	—	—
Scott A. Shay	—	—	—	—
John Tamberlane	—	—	—	—
Michael Merlo	—	—	—	—
Vito Susca	4,000	329,340	—	—

(1) On October 28, 2013, Mr. Susca exercised options to purchase 4,000 shares, when our stock price had a per-share fair market value of \$103.14.

Potential Post-Employment Payments Upon Termination or Change in Control

Termination Payments

Joseph J. DePaolo and Scott A. Shay are each entitled to certain payments upon termination pursuant to their employment agreement and chairman agreement, respectively. There are no contractual provisions in effect which provide for payments upon termination for any of the other named executive officers. All of our named executive officers participate in our Change of Control Severance Plan for Key Corporate Employees.

Joseph J. DePaolo

Mr. DePaolo's employment agreement provides that, regardless of the reason for termination of his employment, he will be entitled to any earned but unpaid base salary and vacation time, any outstanding reasonable business expense incurred by him, continued insurance benefits to the extent required by law, and vested benefits as required by the terms of any employee benefit plan or program. If termination occurs due to the death or "disability" of Mr. DePaolo, he will also be entitled to receive any accrued but unpaid bonuses for completed fiscal years. If we voluntarily terminate his employment for any reason other than "cause" or if he terminates his employment for "good reason," Mr. DePaolo or his estate will be entitled to both accrued but unpaid bonuses for completed fiscal years and an immediate lump sum severance payment equal to the product of the greater of (x) the amount of base salary that Mr. DePaolo would have received had he remained employed through the scheduled conclusion of the employment period, or (y) two times his annual base salary, plus a pro-rata bonus for the year of termination based on the average of his bonuses for the prior two fiscal years. Upon termination of employment for any reason other than by us for "cause", Mr. DePaolo will also be entitled to continued medical coverage (both for himself and his dependents) for five years following his termination or until he becomes eligible for comparable coverage under another employer's health plans, if earlier.

Scott A. Shay

Mr. Shay's chairman agreement provides that, regardless of the reason for termination of his service, he will be entitled to any earned but unpaid base fees and vacation time, any outstanding reasonable business expense incurred by him, continued insurance benefits to the extent required by law, and vested benefits as required by the terms of any employee benefit plan or program. If termination occurs due to the death or "disability" of Mr. Shay, he will also be entitled to receive any accrued but unpaid bonuses for completed fiscal years. If we voluntarily terminate his service for any reason other than "cause" or if he terminates his service for "good reason", Mr. Shay will be entitled to both accrued but unpaid bonuses for completed fiscal years and an immediate lump sum severance payment equal to the product of the greater of (x) the amount of base fees that Mr. Shay would have received had he remained Chairman through the scheduled conclusion of his term, or (y) two times his annual base fees, plus a pro-rata bonus for the year of termination based on the average of his bonuses for the prior two fiscal years.

For purposes of each of these agreements, “cause” for termination includes any of the following: (i) the conviction of the executive of, or the entry of a plea of guilty or nolo contendere by the executive to, any felony or misdemeanor, excluding minor traffic violations; (ii) fraud, misappropriation or embezzlement by the executive; (iii) the executive’s willful failure or gross negligence in the performance of the executive’s assigned duties for the Company, which continues for more than fifteen (15) calendar days following the executive’s receipt of written notice of such conduct; (iv) the executive’s breach of the executive’s fiduciary duty to the Company; (v) any willful act or willful omission of the executive that reflects adversely on the integrity and reputation for honesty and fair dealing of the Company; (vi) the breach by the executive of any material term of the agreement; or (vii) the disqualification of the executive by any state or federal regulatory agency or court from continued service to the Company.

For purposes of each of these agreements, “good reason” for termination includes, without the executive’s consent, (i) a requirement by the Company that the executive relocate his principal office for purposes of his service to the Company to a location other than the Company’s headquarters and, additionally for Mr. Shay, a relocation of his principal office for purposes of his service to the Company to a location which is more than 35 miles further from his principal residence than is his current principal office for purposes of his service to the Company; (ii) the Company’s failure to pay the executive any base fee, base salary or other compensation or benefits to which he is entitled, other than an inadvertent failure which is remedied by the Company within 10 days after receipt of written notice thereof; (iii) a material breach of the agreement by the Company (including a failure to nominate Mr. Shay for the Company’s slate of directors or to appoint him Chairman) which is not remedied by the Company within 10 days after receipt of written notice thereof; (iv) a demotion of the executive, a reduction in his title or reporting responsibilities, or a material diminution of his duties; or (v) the issuance of a notice of non-renewal by the Company other than in a case where cause for termination exists. Additionally, for Mr. DePaolo, “good reason” for termination is constituted by his ceasing to be a member of the Board.

For purposes of each of these agreements, “disability” means the inability of the executive, due to a physical or mental impairment, to perform his duties to the Company, which impairment reasonably can be expected to cause the executive’s continued incapacity to perform his duties for a period of 120 consecutive days from the first date of the disability.

Messrs. DePaolo and Shay are required to deliver to the Company, within 60 days after termination of employment, an effective release of claims against the Company and related persons.

The following table sets forth arrangements that provide for payments to each of Messrs. DePaolo and Shay in connection with termination of his employment by the Company without cause, termination of his employment by him for good reason, termination of his employment upon his death or termination of his employment by reason of his disability, assuming for such purposes that such termination took place on December 31, 2013 and there was no change of control of the Company.

Name	Benefit	Amount Payable for Termination Without Cause or for Good Reason (\$)	Amount Payable by Reason of Death or Disability (\$)⁽¹⁾
Joseph J. DePaolo	Cash Severance	3,274,390	2,250,000
	Continued Welfare Benefits	233,860	—
Scott A. Shay	Cash Severance	1,983,610	1,000,000

(1) Amounts in this column represent annual cash bonus pro-rated through the assumed December 31, 2013 date of termination.

Effect of a Change of Control In the Absence of a Termination of Employment

Under the 2004 Equity Plan and award agreements, upon a change of control of the Company, each named executive officer’s unvested restricted shares will immediately be fully vested and all restrictions thereon shall lapse.

The following table sets forth the value of all restricted shares held by each named executive officer that would have become vested if a change of control of the Company occurred on December 31, 2013, calculated based on the closing price of our common stock on the Nasdaq National Market on such date, which was \$107.42.

<u>Name</u>	<u>Value of Equity Vesting in Connection with a Change of Control (\$)</u>	<u>Gross-Up on Equity Acceleration (\$)</u>
Joseph J. DePaolo	15,605,226	N/A
Eric R. Howell	11,222,597	6,819,993
Scott A. Shay	11,601,790	N/A
John Tamberlane	9,575,204	5,518,208
Michael Merlo	11,213,359	6,546,400
Vito Susca	381,341	N/A

Change of Control Termination

Change of Control Severance Plan

In March 2005, in connection with Bank Hapoalim’s sale of its majority stake in us, we amended our Change of Control Severance Plan for Key Corporate Employees and on each of June 20, 2007, September 19, 2007 and December 29, 2008, we further amended the plan. The plan, as amended, provides that covered executives will receive severance if a “change of control” occurs and their employment is terminated by Signature Bank for reasons other than for “cause”, disability or death, or if the covered executive terminates his employment with “good reason” either (i) prior to such change of control at the request of a third party who has taken steps to effect a change of control or (ii) after such change of control but prior to the third anniversary thereof.

“Good reason” is defined in the plan to include (i) termination of employment by the executive following a diminution of duties, a decrease in compensation or benefits or a relocation, (ii) failure by the Company to ensure any successor expressly assumes and honors the plan, and (iii) termination by a named executive officer for any reason during a window period from 90 to 120 days following a change of control.

“Cause” is defined in the plan as either (i) the willful and continued failure of the executive to perform substantially his duties to the Company after receiving a specific written demand for substantial performance, or (ii) the willful engaging by the executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

A “change of control” will be deemed to have occurred under the severance plan upon (A) an acquisition by any person of 50% or more of either the outstanding shares or combined voting power of our securities, subject to certain exceptions; (B) a change in the majority of the members of our Board which is not approved by our pre-change Board; (C) a reorganization, merger or consolidation or sale or other disposition of all or substantially all of our assets, unless the beneficial owners of our common stock and voting securities will beneficially own at least 50% of the common stock and voting securities of the resulting corporation, no person will beneficially own more than 50% of the common stock or other voting securities of the resulting corporation (except to the extent such ownership existed before the applicable transactions) and at least a majority of the members of the Board of the resulting corporation were members of our Board prior to the transaction; or (D) approval by our shareholders of a complete liquidation or dissolution of the Company.

Upon such termination, the named executive officer will receive a lump sum cash payment equal to (i) the executive’s accrued but unpaid base salary through the date of termination; (ii) a pro rata bonus for the year in which the termination occurs based on the greater of the executive’s highest bonus earned in the last three full fiscal years and the executive’s annual bonus for the most recently completed fiscal year less any previously paid bonus for such fiscal year plus any accrued vacation pay; (iii) an amount equal to two times (one times, in the case of Mr. Susca) the executive’s base salary and highest annual bonus in the last three years; (iv) an amount equal to two times (one times, in the case of Mr. Susca) the fair market value of the largest single restricted stock grant made in the 36 months before the change of control, which value is determined immediately before the change of control; and (v) continued welfare and fringe benefits for two years following termination of employment (one year, in the case of Mr. Susca, and five years in the case of Mr. DePaolo per his employment agreement) (or until the executive becomes eligible for comparable coverage under another employer’s health plans, if earlier).

If amounts payable under our severance plan would subject a participant to an excise tax on account of Sections 280G and 4999 of the Code, the named executive officer will be entitled to an additional payment from us to make him or her whole, on an after-tax basis in respect of his or her severance payment. However, if reducing the participant's payments by less than 10% of the amount that is a "parachute payment" under Section 280G of the Code would eliminate the excise tax, we will reduce the participant's payments and not make the additional payment.

Our Change of Control Severance Plan for Key Corporate Employees may at any time be terminated or amended by our Board, provided that the plan may not be terminated or amended in any manner which would impair the rights of any executive if such termination or amendment occurs in connection with, or in anticipation of, or following a change of control. The plan is binding on any successor to us, our assets or our businesses.

The following table sets forth amounts and benefits that would be payable to our named executive officers under our Change of Control Severance Plan for Key Corporate Employees in connection with the termination of their employment by the Company without cause, or termination of their employment by them for good reason, assuming for such purposes that a change of control and such termination both took place on December 31, 2013.

<u>Name</u>	<u>Benefit</u>	<u>Amount Payable for Termination Without Cause or for Good Reason (\$)</u>
Joseph J. DePaolo	Cash Severance	15,443,596
	Continued Welfare Benefits	233,860
	Excise Tax Gross Up ⁽¹⁾	17,590,515
Eric R. Howell	Cash Severance	7,178,654
	Continued Welfare Benefits	62,115
	Excise Tax Gross Up ⁽¹⁾	11,754,772
Scott A. Shay	Cash Severance	9,988,975
	Continued Welfare Benefits	82,815
	Excise Tax Gross Up ⁽¹⁾	13,545,827
John Tamberlane	Cash Severance	7,236,854
	Continued Welfare Benefits	21,975
	Excise Tax Gross Up ⁽¹⁾	11,237,709
Michael Merlo	Cash Severance	7,236,854
	Continued Welfare Benefits	2,051
	Excise Tax Gross Up ⁽¹⁾	11,500,458
Vito Susca	Cash Severance	848,942
	Continued Welfare Benefits	35,176
	Excise Tax Gross Up ⁽¹⁾	641,578

(1) This gross up amount is based on the cash severance and continued welfare benefits shown in the table above and the value of the vesting of all unvested restricted shares held by the named executive officer on December 31, 2013. Calculations to estimate the excise tax due under the Internal Revenue Code and the related gross-up are complex and require a number of assumptions. This gross-up is calculated based on the assumption that the 280G excise tax rate is 20%, the cumulative rate for other taxes, including federal, state, and local income taxes, applicable for each affected executive officer ranges from 50.78% to 54.66%, that all shares subject to outstanding equity awards are treated as accelerated upon a change in control and included in the gross-up calculation in full, and the equity awards were valued at the closing price of our common stock on December 31, 2013, \$107.42. This calculation is an estimate for proxy disclosure only.

COMPENSATION OF DIRECTORS

The following table sets forth information with respect to the compensation of non-employee directors of the Company in respect of fiscal year 2013.

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Stock Awards⁽¹⁾⁽²⁾⁽³⁾ (\$)</u>	<u>Total (\$)</u>
Kathryn A. Byrne	60,500	195,475	255,975
Alfonse M. D'Amato	51,500	195,475	246,975
Alfred B. DelBello	62,500	243,355	305,855
Jeffrey W. Meshel	54,000	195,475	249,475
Judith A. Huntington	39,000	166,002	205,002
Michael V. Pappagallo	39,000	166,002	205,002

- (1) On March 22, 2013, Ms. Byrne, Mr. D'Amato, Mr. DelBello, and Mr. Meshel were granted 2,500 restricted shares of common stock, which will fully vest on March 24, 2014. On April 24, 2013, Ms. Huntington and Mr. Pappagallo were each granted 2,274 restricted shares of common stock which will fully vest on March 24, 2014. The amounts in this column represent the aggregate grant date fair value of each of these restricted share awards computed in accordance with FASB ASC Topic 718.
- (2) There were no option grants made in 2013. Mr. DelBello exercised 1,000 options on January 30, 2013 and retained the shares.
- (3) Refer to Note 2(q) — Stock-Based Compensation to our consolidated financial statements in our Annual Report on Form 10-K filed with the FDIC for the fiscal year ended December 31, 2013 for a discussion of the assumptions used in determining aggregate grant date fair value of stock awards.

Directors receive an annual fee of \$26,000, payable \$6,500 per quarter, an additional fee of \$1,500 for each Board meeting they attend (\$500 if they attend telephonically), and an additional fee of \$1,000 for each committee meeting they attend. The Chair of the Examining Committee receives an annual fee of \$12,500, and an annual fee of \$7,500 is paid to the Chair of each of the Compensation Committee and the Nominating Committee. Additionally, each independent director who serves on the Credit Committee receives an annual special director's fee of \$5,000, payable in full at the end of the first quarter of each year. The Lead Independent Director receives an annual fee of \$10,000. This payment shall be in addition to any Board of Directors, Committee or Committee Chair fees such director is entitled to receive. Directors are reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the Board and its committees. In addition, Ms. Byrne, Mr. D'Amato, Mr. DelBello, and Mr. Meshel each received, on March 22, 2013, a grant of 2,500 restricted shares of common stock for services as a director in 2013-2014. Ms. Huntington and Mr. Pappagallo each received, on April 24, 2013, a grant of 2,274 restricted shares of common stock for services as a director in 2013-2014. The shares of common stock awarded in 2013 will fully vest on March 24, 2014. Our directors adopted a stock retention policy effective February 15, 2012. Pursuant to the stock retention policy, each director is required to hold, for so long as he or she remains a director, 50% of the number of vested shares received (after payment of applicable taxes) in connection with the settlement or exercise of an equity-based award.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The following is the report of the Compensation Committee for the Company's fiscal year ended December 31, 2013. The 2013 members of the Compensation Committee are three non-executive members of our Board of Directors: Alfred B. DelBello, Alfonse M. D'Amato, and Jeffrey W. Meshel. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis portion of this Proxy Statement with management, and recommended to the Board of Directors that it be included in the Company's Annual Report on Form 10-K and the Company's Proxy Statement.

COMPENSATION COMMITTEE

Alfonse M. D'Amato (Chair)
Alfred B. DelBello
Jeffrey W. Meshel

The report of the Compensation Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Signature Bank filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this item therein by reference.

REPORT OF THE EXAMINING COMMITTEE

The charter of the Examining Committee of the Board of Directors specifies that the purpose of the Examining Committee is to assist the Board of Directors in its oversight of:

- the integrity of the Company's financial statements and other financial information provided to the Company's shareholders, the public, and any stock exchange;
- the Company's risk management processes and internal control;
- the Company's ethics monitor and compliance with legal and regulatory requirements;
- the qualifications and independence of the Company's internal auditors to provide assurance about the overall system of internal control; and
- the performance of the Company's external independent registered public accounting firm.

The full text of the Examining Committee's charter is available on the Company's website (www.signatureny.com) under "*Investor Relations*." In carrying out its responsibilities, the Examining Committee, among other things:

- monitors preparation of quarterly and annual financial reports by the Company's management;
- supervises the relationship between the Company and its external independent registered public accounting firm, to ensure the independence and objectivity of the external audit process, including: having direct responsibility for their appointment, compensation, retention and oversight; reviewing the scope of their audit services; approving significant non-audit services; and confirming the independence of the independent internal auditors; and
- oversees management's implementation and maintenance of effective systems of internal and disclosure controls, including review of the Company's policies and procedures relating to legal and regulatory compliance, ethics and conflicts of interests, review and approval of any material related person transactions, review of the Company's internal auditing program, and review of the Company's whistleblower and complaint hotline to allow employees to report concerns anonymously.

The Examining Committee met eight times during 2013. The Examining Committee's meetings include, whenever appropriate, executive sessions with the Company's independent registered public accounting firm and with the Company's internal auditors, in each case without the presence of the Company's management. During 2007, the Board of Directors elected to impose a term limit of five years on the chair of the Examining Committee. In that regard, Kathryn Byrne's five-year term as Chair of the Examining Committee will end on February 28, 2014; Michael V. Pappagallo will become Chair of the Examining Committee on March 1, 2014.

As part of its oversight of the Company's financial statements, the Examining Committee reviews and discusses with both management and the Company's external independent registered public accounting firm all annual and quarterly financial statements prior to their issuance. During 2013, management advised the Examining Committee that each set of financial statements reviewed had been prepared in accordance with generally accepted accounting principles, and reviewed significant accounting and disclosure issues with the Examining Committee. These reviews included discussion with the external independent registered public accounting firm of matters required to be discussed pursuant to *Public Company Accounting Oversight Board Auditing Standard No. 16 (Communications with Audit Committees)*, including the quality of the Company's accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Examining Committee also discussed with KPMG LLP matters relating to its independence, including a review of audit and non-audit fees and the written disclosures and letter from KPMG LLP to the Examining Committee pursuant to Independence Standards Board Standard No. 1 (*Independence Discussions with Audit Committees*).

Taking all of these reviews and discussions into account, the Examining Committee recommended to the Board of Directors that the Board of Directors approve the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, for filing with the FDIC.

Kathryn A. Byrne, Judith A. Huntington and Michael V. Pappagallo each qualify as an audit committee financial expert under the SEC rules implementing Section 407 of the Sarbanes-Oxley Act of 2002.

EXAMINING COMMITTEE

Kathryn A. Byrne (Chair)

Judith A. Huntington

Michael V. Pappagallo

The report of the Examining Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Signature Bank filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this item therein by reference.

REPORT OF THE RISK COMMITTEE

The charter of the Risk Committee of the Board of Directors specifies that the purpose of the Risk Committee is to assist the Board of Directors in its oversight of:

- the risks inherent in the Bank and the control processes with respect to such risks;
- the assessment and review of credit, market, liquidity, operational, technology, data security and business continuity risks, among others; and
- the risk management activities of the Bank.

The full text of the Risk Committee's charter is available on the Company's website (www.signatureny.com) under "Investor Relations." In carrying out its responsibilities, the Risk Committee, among other things:

- further develops and articulates an understanding of risk and risk appetite within the Bank;
- enhances means of identifying, qualifying, quantifying, measuring, and monitoring key risk indicators (KRIs) or "dashboards" for each major risk sector;
- educates management and employees about their responsibilities to manage risks – develop "risk smart" thinking across the Bank and an ability to communicate what they are doing in regards to risk management and why; and
- reviews key management, systems, processes, and decisions so as to build risk assessment data into critical business systems.

The Risk Committee met five times during 2013. The Risk Committee occasionally requests that an officer or employee of the Bank, or special counsel or advisor, attend a meeting of the Risk Committee or to meet with any members of, or consultant to, the Risk Committee. The Bank's Chief Auditor is a permanent invitee to all meetings.

RISK COMMITTEE

Scott A. Shay (Chair)
Judith A. Huntington
Joseph J. DePaolo
John Tamberlane
Michael V. Pappagallo

The report of the Risk Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Signature Bank filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this item therein by reference.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Procedures for Approval of Transactions with Related Persons

We have adopted a written policy pursuant to which we review all relationships and transactions in which the Company and our directors and executive officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. As required under SEC rules, transactions that are determined to be directly or indirectly material to the Company or a related person are disclosed in the Company's Proxy Statement. Our Examining Committee is charged with reviewing and approving any related person transaction that is required to be disclosed.

Loans to Related Persons

During 2013, we had several outstanding loans or other extensions of credit to related parties, each of which was made in the ordinary course of business, of a type that we generally make available to the public, and on market terms, or terms that are no more favorable than those that we offer to the general public for such extensions of credit. Our loans to related parties are summarized as follows:

- We have made a loan to Mr. Tamberlane that was outstanding as of December 31, 2013, in an aggregate principal amount of \$100,000.
- We have issued a fully cash secured standby letter of credit and a full recourse business credit card to Super Derivatives, of which Mr. Shay is a member of its Board of Directors. The outstanding balances for these extensions of credit were \$205,161 and \$8,300, respectively, as of December 31, 2013. In addition, we have issued a fully cash secured standby letter of credit to Shellpoint Partners, LLC, of which Mr. Shay has an ownership interest. The outstanding balance for this extension of credit was \$703,710 as of December 31, 2013.
- We have made a mortgage loan to 65 Day Road, LLC, of which Mr. Pappagallo is manager and a partial owner. The balance of this loan was \$218,045 as of December 31, 2013.
- Mr. D'Amato has guaranteed a one-year variable rate term loan made by us to a third party. The balance of the loan was \$350,000 as of December 31, 2013.

CORPORATE GOVERNANCE PRINCIPLES AND BOARD OF DIRECTORS' MATTERS

Signature Bank is committed to having sound corporate governance principles. Having such principles is essential to running Signature Bank's business efficiently and to maintaining Signature Bank's integrity in the marketplace.

Voting for Directors

In January 2006, our Board of Directors adopted a new corporate governance policy that requires a nominee for director in an uncontested election who receives more "WITHHELD" than "FOR" votes to promptly tender his or her resignation to the Chairman of the Board. Under this policy, if a nominee were to receive a greater number of "WITHHELD" than "FOR" votes, the independent directors who did not receive a majority of withheld votes would appoint a committee of the Board of Directors amongst themselves for the purpose of considering the tendered resignations and would recommend to the Board of Directors whether to accept or reject them. Following the Board of Directors' decision on the committee's recommendation, the decision and decision-making process will be promptly publicly disclosed in a periodic or current report filed with the Federal Deposit Insurance Corporation. We believe that this policy represents a standard of good corporate governance and is in the best interest of the Company.

Director Independence

The Board of Directors has evaluated all relationships between each director and the Company and has determined that Kathryn A. Byrne, Alfonse M. D'Amato, Alfred B. DelBello, Judith A. Huntington, Jeffrey W. Meshel and Michael V. Pappagallo are "independent directors" as defined in the Nasdaq Marketplace Rules. One mandate of the Sarbanes-Oxley Act of 2002 (subsequently clarified by regulations issued by the SEC and the NYSE) is that independent directors on the board of a U.S. public company meet not only as part of the full board but also separately and apart from management and non-independent directors. The Board of Directors determined

that it was advisable that a “Lead Independent Director” be appointed to chair such meetings of independent directors as well as to foster greater transparency and accountability among senior leadership. A majority of Fortune 500 corporations have lead independent directors. On December 21, 2011, the Board appointed Alfred B. DelBello as Lead Independent Director.

Board of Directors’ Structure and Committee Composition

During 2013, our Board of Directors had nine directors and four Board of Directors committees: the Risk Committee, the Examining Committee, the Compensation Committee and the Nominating Committee. The membership during the last fiscal year and the function of each of the committees are described below. Each of the committees operates under a written charter adopted by the Board of Directors. The committee charters are available on the Company’s website (www.signatureny.com) under “*Investor Relations*.” During 2013, the Board of Directors held 10 meetings. During this period, all of the directors attended or participated in more than 80% of the aggregate of the total meetings held of the Board of Directors and the total number of meetings held by all committees of the Board of Directors. Directors are encouraged to attend annual meetings of Signature Bank shareholders. All of our directors attended our 2013 annual meeting of shareholders.

Board Leadership

Our Board of Directors is led by our Executive Chairman. We have decided to separate the roles of Chief Executive Officer and Executive Chairman because each is significantly involved in the management of the Company and we therefore believe this board leadership structure best represents how we manage our company. In addition, each of our Executive Chairman and Chief Executive Officer is primarily responsible for managing different aspects of our company and, as a result, we have separated these two functions to permit each to give a significant amount of attention to the areas managed. On December 21, 2011, we established the position of Lead Independent Director. Lastly, we believe this board leadership structure brings diversity to the leadership of our institution.

Risk Oversight

The Board of Directors monitors management and assists management in evaluating all aspects of risk facing the Bank. On September 21, 2011, the Board of Directors established a Risk Committee, which is comprised of Messrs. Shay, DePaolo, Pappagallo and Tamberlane and Ms. Huntington, to assist the Board of Directors in fulfilling its oversight responsibilities with regard to (a) the risks inherent in the Bank and the control processes with respect to such risks, (b) the assessment and review of credit, market, liquidity, operational, technology, data security, and business continuity risks, among others, and (c) the risk management activities of the Bank. The Board of Directors’ primary means for overseeing and evaluating risk are through open lines of communication with management, including receiving regular reports on risk from management, the Risk Committee and, in particular, our Chief Risk Officer. The three primary types of risk we face are credit risk, investment risk and operational risk. The Risk Committee monitors these risks and provides reports to the Board of Directors with respect to each of these risks. With respect to credit risk, the Credit Committee, which is composed of Messrs. Shay, DePaolo, Tamberlane and Meshel, and the Risk Committee receive three reports per year from Brian Twomey, our Director of Risk Management, who also benefits the other members of the Board of Directors regarding such report. With respect to investment risk, the Board of Directors and the Risk Committee receive reports from senior management on the Company’s investment performance, including asset/liability management, and receive reports from a third party consultant detailing the performance of the Company’s investments. With respect to operational risks, the Board of Directors and the Risk Committee receive regular reports from the Chief Operating Officer and various department heads, which encompass matters including regulatory compliance, physical security, disaster recovery and the Bank’s insurance coverage.

Risk Committee

The Risk Committee was established on September 21, 2011 and had its first meeting on December 21, 2011. The Risk Committee’s duties and responsibilities are set forth in the charter of the Risk Committee and include the development and articulation of the risk and risk appetite within the Bank, the enhancement of means of identifying, qualifying, quantifying, measuring and monitoring KRIs or dashboards for each major risk sector, the education of management and employees about their responsibilities to manage risks and the review of key management, systems, processes and decisions so as to build risk assessment data into critical business systems.

Among other responsibilities, the Risk Committee reviews significant financial and other risk exposures and the steps management has taken to monitor, control and report such exposures, including, but not limited to, credit, market, liquidity, operational, fraud, technology, data security and business continuity risks; evaluates key risk exposure and tolerance; reviews and evaluates the Bank's policies and practices with respect to risk assessment and risk management; reviews reports and significant findings of the Risk Management and Internal Audit Department with respect to the risk management activities of the Bank together with management's responses and follow up to these reports; reviews significant reports from regulatory agencies and any new industry guidance related to risk exposures; reviews the scope of the Risk Management group and its planned activities with respect to the risk management review of the Bank; reviews the Bank's technology risk management, including, among other things, business continuity planning and data security; and reports periodically and escalates issues of primary significance to the Board of Directors. The functions of the Risk Committee are further described in the Proxy Statement under "Report of Risk Committee." The Risk Committee held five meetings in 2013. The members of the Risk Committee are Scott A. Shay (Chair), Joseph J. DePaolo, Judith A. Huntington, Michael V. Pappagallo and John Tamberlane. The Risk Committee must consist of at least one independent director and will include members of the Bank's management, including the Director of Risk Management, the Chief Operating Officer, the Chief Credit Officer, the Chief Financial Officer, and the Chief Technology Officer. The Bank's Chief Auditor is a permanent invitee to all meetings. Mr. Shay has been the chair of the Risk Committee since its inception. The charter of the Risk Committee is available on the Company's website (www.signatureny.com) under "*Investor Relations*."

Examining Committee

The Examining Committee's duties and responsibilities are set forth in the charter of the Examining Committee and include the general oversight of the integrity of Signature Bank's financial statements, Signature Bank's compliance with legal and regulatory requirements, the independent registered public accounting firms' qualifications and independence, the performance of Signature Bank's internal audit function and registered public accounting firms, and risk assessment and risk management. Among other responsibilities, the Examining Committee prepares the Examining Committee report for inclusion in the annual proxy statement; annually reviews the Examining Committee charter and the Committee's performance; reviews and approves any material related party transactions; appoints; evaluates and determines the compensation of Signature Bank's registered public accounting firm; reviews and approves the scope of the annual audit, the audit fee and the financial statements; reviews Signature Bank's disclosure controls and procedures, internal controls, information security policies; internal audit function; and corporate policies with respect to financial information and earnings guidance; oversees investigations into complaints concerning financial matters; and reviews other risks that may have a significant impact on Signature Bank's financial statements. The Examining Committee works closely with management as well as Signature Bank's registered public accounting firm. The Examining Committee has the authority to obtain advice and assistance from, and receive appropriate funding from Signature Bank for, outside legal, accounting or other advisors as the Examining Committee deems necessary to carry out its duties. In fulfilling its duties and responsibilities, the Examining Committee may reasonably rely on the information and representations it receives from professionals, experts and persons within the Company. The functions of the Examining Committee are further described in this Proxy Statement under "Report of Examining Committee." The Examining Committee held eight meetings in 2013. The members of the Examining Committee are Kathryn A. Byrne (Chair), Judith A. Huntington and Michael V. Pappagallo. The Board of Directors has determined that Kathryn A. Byrne, Judith A. Huntington and Michael V. Pappagallo are each independent as such term is defined by the Nasdaq Marketplace Rules and are each "financial experts" under the SEC rules. During 2007, the Board of Directors elected to impose a term limit of five years on the Chair of the Examining Committee. Ms. Byrne has been the Chair of the Examining Committee since March 1, 2009. In that regard, Kathryn Byrne's five-year term as Chair of the Examining Committee will conclude on February 28, 2014; Michael V. Pappagallo will become Chair of the Examining Committee on March 1, 2014. The charter of the Examining Committee is available on the Company's website (www.signatureny.com) under "*Investor Relations*."

Compensation Committee

The Compensation Committee's duties and responsibilities are set forth in the charter of the Compensation Committee. The charter of the Compensation Committee is available on the Company's website (www.signatureny.com) under "*Investor Relations*." The Compensation Committee consists of at least three of the

Company's non-employee directors, any of whom may be removed at any time by action of the Board. The Chair is designated by the Board and the Committee must have at least two meetings per year. The Compensation Committee met two times in 2013. In 2007, the Board of Directors elected to impose a five-year term limit on the Chair. Mr. D'Amato has been the Chair of the Compensation Committee since June 17, 2009. The members of the Compensation Committee are Alfonse M. D'Amato, Alfred B. DelBello and Jeffrey W. Meshel. The scope of authority of the Compensation Committee includes the power to:

- review and determine compensation of Signature Bank's CEO and other executive officers on an annual basis;
- review and make recommendations to management and the Board with respect to policies relating to compensation, the Company's equity compensation plan and the adoption of new incentive compensation and equity-based plans;
- administer the 2004 Equity Plan and the Change of Control Severance Plan;
- approve the terms of the grant agreements for all equity awards and make such grants of equity awards;
- review and approve all compensation awards, employment agreements, and severance plans and agreements for executive officers and key employees; and
- review its own performance and the adequacy of the Compensation Committee Charter annually and report regularly to the Board, recommending any changes it deems appropriate.

The Executive Chairman and Chief Executive Officer are the only executive officers to have a role in determining or recommending the amount or form of executive and director compensation. Together they annually review the performance of each executive. The conclusions reached and recommendations made based on these reviews, including those with respect to salary adjustments and annual award amounts, are then presented to the Committee for review and approval and/or ratification. The Executive Chairman and Chief Executive Officer do not play a prominent role in the determination of their own salary levels, although recommendations are still made by each of them to the Committee. The Committee can exercise its full discretion in modifying any recommended adjustments or awards to executives.

The Committee has engaged a compensation consultant, Frederic W. Cook & Co., to both assist it in carrying out its responsibilities and to conduct periodic reviews of the total compensation program for executive officers. The Committee's consultant aids in the determination of the amount and form of executive and director compensation by providing the Committee with guidance and relevant market data to consider. Such information enables the Committee to review compensation practices at peer companies in the banking industry and compare our named executive officers' current compensation levels to competitive market norms. The Committee's consultant is engaged directly by the Committee, which has the sole authority to retain or terminate consultants to assist it in the evaluation of director, chief executive officer or executive compensation. The Committee has the sole authority to determine the terms of engagement and the extent of funding necessary for payment of compensation to any consultant retained to advise the Committee.

Executive Compensation Risk Assessment

In 2009, in conjunction with our senior risk official and the Committee's consultant, we conducted a comprehensive review of the design and operation of our executive compensation plans and arrangements, including the performance objectives and target levels used in connection with our annual cash incentive bonus compensation awards, to determine whether any amendments or modifications were required to ensure that our senior executive officer incentive compensation programs not encourage unnecessary and excessive risk-taking.

Original Review Process. Our senior risk official prepared a report, setting out the risks we faced that could have potentially threatened the value of the Company. These risks generally fell into the following five areas: (1) inability to successfully execute the business model; (2) inability to maintain acceptable credit quality over various business cycles given the growth model and inherent geographic concentrations; (3) inability to maintain adequate liquidity; (4) vulnerability to swings in interest rates and volatility in fixed income portfolio; and (5) all manner of operational risk including reliance on outside vendors and employee or client fraud or defalcation.

Our senior risk official met several times with senior management and counsel to discuss the long and short-term risks the Company was facing that could have threatened the value of the Company. In addition, our senior risk official met with the Compensation Committee at one of the Compensation Committee's meetings. At

the meeting, the final report of the senior risk official was presented, and the senior risk official responded to questions. The Compensation Committee examined whether any features of the senior executive officer compensation arrangements could have induced the senior executive officers to take risks that could have threatened the value of the Company. The Compensation Committee and our senior risk official noted that performance metrics and target levels used in connection with our annual cash incentive bonus compensation awards were not set at levels that would incentivize our senior executive officers to take excessive risks in our business or achieve only short-term increases in our common stock price.

Moreover, the senior executive officer compensation program as a whole included the following design features that we believed mitigated officer risk-taking.

Compensation Mix. To encourage appropriate decision-making and facilitate the alignment of the interests of our senior executive officers with those of the Company and its shareholders, our senior executive officer compensation program was structured to provide an appropriate balance of “fixed” and “variable” or “at risk” compensation. We believed that the allocation of variable compensation between annual cash incentives and long-term restricted stock grants was reasonable for the Company given our business objectives and comparable to the ratio used by members of our peer group identified below. The mix of compensation provided to our executives was sufficiently diversified to be consistent with the Company’s risk profile and provide a balance of incentives.

Base Salaries. While base salary was the only fixed element of compensation that we provided to our senior executive officers, we believed that the amounts paid were appropriate base levels for these senior executive officers. Consequently, our incentive compensation arrangements were intended to reward their performance if, and only to the extent that, the Company and our shareholders also benefited financially from their stewardship.

Annual Incentives. The annual incentive component of our executive compensation program involved cash-based awards payable if, and only to the extent that, pre-established corporate financial and individual performance objectives were achieved. The Compensation Committee evaluated the performance factors and targets for annual cash bonus awards. We considered the performance goals and target levels for annual bonuses appropriate given the risks the Company faced and realistic in light of past performance. Additionally, we believe that the following attributes of the 2004 Equity Plan, pursuant to which any such bonuses were awarded furthered our long-term business plan and ensured that the interests of our senior executive officers were aligned with the interests of our shareholders: (1) bonus payouts were based on multiple goals and objectives; (2) bonus payouts were not based solely on corporate performance, but also depended on qualitative, non-financial measures; (3) there was a pre-established maximum amount payable under the bonus program; and (4) the Compensation Committee retained discretion over the amount of the payouts.

Restricted Stock. The Compensation Committee granted a substantial amount of the senior executive officers’ total compensation as non-cash incentive compensation in the form of restricted stock awards. Our annual restricted stock awards granted to our senior executive officers were 100% service-based, vesting in equal annual installments over either a three-year or four-year period (except the special restricted stock grant in April 2009 that vests in equal annual installments over a two-year period, as further described in “Elements of Compensation for 2009 and Why We Chose to Pay Each Element — Restricted Stock Awards”); vesting was not tied to Company or individual performance. We have not granted performance based equity awards at any time, including in 2011, 2012 or 2013. We also made a special restricted stock grant in April 2008 that does not begin to vest until the sixth anniversary of the grant date in order to underscore our commitment to long-term decision-making and growth.

Forfeiture of Awards. Our 2004 Equity Plan, pursuant to which all equity compensation and, from 2008 onwards, all annual cash bonuses, were awarded to senior executive officers, contains a ‘forfeiture of awards’ provision pursuant to which the Compensation Committee may provide in any award agreement that, in the event of serious misconduct by a plan participant or any activity of a plan participant in competition with the Company or any subsidiary or affiliate, any outstanding award granted under the 2004 Equity Plan to such participant would be cancelled, in whole or in part, whether or not vested or deferred.

Updates. This review was updated in 2011, 2012 and again in 2013, taking into account that the various rules and restrictions that applied under the U.S. Treasury’s Capital Purchase Program no longer applied to the Company, and reflecting new rules promulgated by the Securities and Exchange Commission relating to assessing the extent to which the Company’s compensation plans and programs for its employees encouraged excessive and unnecessary risk-taking behavior. Thus, the update encompassed a comprehensive review of our compensation policies and practices for all employees, including our executive officers, as they relate to risk management

practices and risk-taking incentives. Our senior risk official prepared a detailed written report setting out the terms of compensation policies and practices for the following employee groups: senior executive officers, operations employees, employees in our private client groups, investment group directors, employees on our fixed income desk, and our SBA group. The report was presented to the Compensation Committee at a meeting in February.

After considering the presentation of our senior risk official, we agreed with the conclusion of our senior risk official that our employee compensation policies and practices are not reasonably likely to result in a material adverse effect on the Company. The Committee's consultant also concurred in this conclusion.

Compensation Committee Interlocks and Insider Participation

Nominating Committee

The Nominating Committee's duties and responsibilities are set forth in the charter of the Nominating Committee and include identifying individuals qualified to become members of the Board of Directors, consistent with the criteria set forth below under "Consideration of Director Nominees — Identifying and Evaluating Nominees for Directors" and "Consideration of Director Nominees — Director Qualifications," and overseeing the organization of the Board of Directors to discharge the Board of Directors' duties and responsibilities properly and efficiently. Other specific duties and responsibilities of the Nominating Committee include annually assessing the size and composition of the Board of Directors; developing membership qualifications for Board of Directors' committees; defining specific criteria for director independence; annually reviewing and recommending directors for continued service; coordinating and assisting management and the Board of Directors in recruiting new members and conducting periodic reviews of the independence of the members of the Board of Directors and its committees and the financial literacy and expertise of Examining Committee members. During 2013, the members of the Nominating Committee were Alfred B. DeBello and Alfonse M. D'Amato and the Nominating Committee held one meeting. The charter of the Nominating Committee is available on the Company's website (www.signatureny.com) under "Investor Relations."

Consideration of Director Nominees

Shareholder Nominees

The policy of the Nominating Committee relating to shareholder nominations of candidates for membership to the Board of Directors is to consider properly and timely submitted nominations as described below under "Identifying and Evaluating Nominees for Directors." In evaluating such nominations, the Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the Board of Directors and to address the membership criteria set forth under "Director Qualifications" below. Any shareholder nominations proposed for consideration by the Nominating Committee should include the nominee's name and qualifications for Board of Directors' membership and should be addressed to:

Corporate Secretary
Signature Bank
565 Fifth Avenue
New York, NY 10017

In addition, the By-laws of Signature Bank permit shareholders to nominate directors for consideration at an annual shareholders meeting. For a description of the process for nominating directors or other shareholder proposals in accordance with Signature Bank's By-laws, see "Shareholder Proposals" in this Proxy Statement.

Identifying and Evaluating Nominees for Directors

The Nominating Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Nominating Committee from time to time assesses the appropriate size of the Board of Directors, and whether any vacancies on the Board of Directors are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Nominating Committee considers various potential candidates for director. Candidates may come to the attention of the Nominating Committee through current Board of Directors' members, professional search firms, shareholders or other persons. These candidates are evaluated at meetings of the Board of Directors and may be considered at any point during the year. As described above, the Nominating Committee considers properly submitted shareholder nominations as candidates for the Board of Directors. Following verification of the shareholder status of persons proposing candidates, properly submitted recommendations will

be aggregated and considered by the Nominating Committee at a meeting prior to the issuance of the proxy statement for Signature Bank's annual meeting. If any materials are provided by a shareholder in connection with the nomination of a director candidate, such materials will be forwarded to the Nominating Committee. The Nominating Committee also reviews materials provided by professional search firms or others in connection with a nominee who is not proposed by a shareholder. In evaluating such nominations, the Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the Board of Directors.

Director Qualifications

The Nominating Committee uses a number of criteria to determine the qualification of a director nominee for the Board of Directors. The minimum criteria used by the Nominating Committee consist of the following:

- Directors should be of the highest ethical character and share the mission, vision and values of Signature Bank;
- Directors should have reputations, both personal and professional, consistent with the image and reputation of Signature Bank;
- Directors should be highly accomplished in their respective fields, with superior credentials and recognition;
- Each director should have relevant expertise and experience, and be able to offer advice and guidance to the Chairman and the Chief Executive Officer based on that expertise and experience; and
- Each director should have the ability to exercise sound business judgment.

The Nominating Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board of Directors, the balance of management and independent directors, the need for Examining Committee and industry expertise and the evaluations of other prospective nominees. After completing the interview and evaluation process that the Nominating Committee deems appropriate, it makes a recommendation to the full Board of Directors as to the persons who should be nominated by the Board of Directors, and the Board of Directors determines the nominees after considering the recommendation and the report of the Nominating Committee.

Communications with the Board of Directors

Signature Bank's Board of Directors has adopted a policy regarding shareholder access to the Board of Directors to ensure that shareholders may communicate directly with the Board of Directors. All written communications should be directed to the Company's Corporate Secretary at: Corporate Secretary, Signature Bank, 565 Fifth Avenue, New York, NY 10017 and should prominently indicate on the outside of the envelope that it is intended for one of the following the Board of Directors, the Examining Committee, the Risk Committee, the Compensation Committee or the Nominating Committee. Each written communication intended for the Board of Directors or one of the committees and received by the Corporate Secretary will be forwarded to the specified party following its clearance through normal security procedures. The written communication will not be opened, but rather will be forwarded unopened to the intended recipients.

Codes of Ethics

We believe that each of our employees and directors should maintain high ethical standards. We have adopted our Code of Business Conduct and Ethics applicable to our employees and directors and our Code of Ethics for the Principal Executive Officer and Senior Financial Officers. The Company's Code of Business Conduct and Ethics was amended in January 2006 to include the engagement of a third-party, NAVEX Global (formerly, Global Compliance Services), to provide employees an independent mechanism for the confidential, anonymous submission of concerns regarding questionable accounting, operational or auditing matters or any other questionable activity or matter. The Whistleblower program is a 24-hour manned toll-free hotline.

These codes are available on our website (www.signatureny.com) under "*Investor Relations*," and in print upon any written request by a shareholder. The Company intends to post at this location on its website any amendments to or material waivers from the provisions of these codes.

EQUITY INCENTIVE PLAN INFORMATION

The following table shows the total number of outstanding options and shares available for other future issuances of awards under our 2004 Equity Plan, our only existing equity compensation plan as of December 31, 2013.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾ (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	1,127,763	\$25.20	2,178,000
Equity compensation plans not approved by security holders	—	—	—
Total	1,127,763	\$25.20	2,178,000

- (1) Shares indicated are total grants under the 2004 Equity Plan.
- (2) Column A includes 1,111,013 shares of Common Stock underlying outstanding awards of restricted stock. Because there is no exercise price associated with restricted stock, such equity awards are not included in the weighted-average exercise price calculation in column (b).

RATIFICATION OF INDEPENDENT AUDITORS

(PROPOSAL NO. 2)

The Examining Committee has selected the firm of KPMG LLP, an independent registered public accounting firm, as our independent auditors for the year ending December 31, 2014. KPMG LLP has audited our financial statements since our inception, and is in compliance with the requirements of the Sarbanes-Oxley Act of 2002 and applicable rules adopted by the SEC regarding mandatory audit partner rotation.

A representative of KPMG LLP will be present at the 2014 Annual Meeting, will be offered the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions. In the event the appointment is not ratified, the Examining Committee will consider the appointment of other independent auditors.

The Board of Directors recommends a vote “FOR” this proposal.

PRINCIPAL AUDITOR FEES AND SERVICES

The Examining Committee, Signature Bank’s audit committee, has appointed KPMG LLP as Signature Bank’s independent auditors for the fiscal year ending December 31, 2014.

Fees Incurred by Signature Bank for KPMG LLP

The following table shows the fees billed to Signature Bank for the audit and other services provided by KPMG LLP for fiscal 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Audit Fees ⁽¹⁾	\$746,300	\$741,300
Audit-Related Fees	37,350	32,100
Tax Fees ⁽²⁾	—	38,896
All Other Fees	—	—
Total	<u>\$783,650</u>	<u>\$812,296</u>

(1) Audit fees represent fees for professional services provided in connection with the audit of our annual financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.

(2) Tax fees represent fees for professional services provided in connection with obtaining New York State job tax credits.

The Examining Committee approves all audit-related and non-audit services not prohibited by law to be performed by Signature Bank’s independent auditors. The Examining Committee determined that the provision of such services by KPMG LLP was compatible with the maintenance of such firm’s independence in the conduct of its audit functions.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

(PROPOSAL NO. 3)

We are committed to strong corporate governance. As part of this commitment, and in compliance with Section 14A of the Exchange Act (which was added by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”)) and the related rules of the SEC, we are submitting to our stockholders for approval a non-binding resolution to ratify named executive officer compensation, as described in the Compensation Discussion and Analysis and the tabular disclosure regarding named executive officer compensation (together with the accompanying narrative disclosure) in this Proxy Statement. We are submitting this proposal because we believe that both we and our stockholders benefit from responsive corporate governance policies and constructive and consistent dialogue. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this Proxy Statement. This proposal gives our stockholders the opportunity to endorse or not endorse our executive pay program and policies through the following resolution:

“RESOLVED, that the shareholders approve, on an advisory basis, the Bank’s named executive officer compensation, as described in the Compensation Discussion and Analysis and the tabular disclosure regarding named executive officer compensation (together with the accompanying narrative disclosure) in the Proxy Statement for this meeting.”

In considering your vote, you are encouraged to read “Executive Compensation”, the accompanying compensation tables, and the related narrative disclosure. Because your vote is advisory, it will not be binding on the Board of Directors. However, the Board of Directors and the Compensation Committee expect to take into account the outcome of the vote when considering future executive compensation decisions to the extent they can determine the cause or causes of any significant negative voting results.

The Board of Directors recommends a vote “FOR” this proposal.

OTHER MATTERS

Other Matters

Management does not know of any other matters to be considered at the 2014 Annual Meeting. If any other matters do properly come before the meeting, persons named in the accompanying form of proxy intend to vote on those matters as recommended by the Board of Directors or, if no recommendation is given, in their own discretion.

Annual Report on Form 10-K

Signature Bank will provide upon request and without charge to each shareholder receiving this Proxy Statement a copy of Signature Bank's Annual Report on Form 10-K for fiscal year ended December 31, 2013, including the financial statements included therein, as filed with the FDIC on or about the date of this Proxy Statement.

Available Information

The Company's internet address is www.signatureny.com. We make available on our website under "*Investor Relations*" our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, reports made pursuant to Section 16 of the Securities Exchange Act and amendments to those reports as soon as reasonably practicable after we file such material with, or furnish it to, the FDIC. Our Code of Business Conduct and Ethics for our employees and Board of Directors, and our Code of Ethics for the Principal Executive Officer and Senior Financial Officers are also available on our website under "*Investor Relations*" and in print upon request by any shareholder. The charters of our Compensation, Nominating, Risk and Examining Committees are also available on our website under "*Investor Relations*." In addition, Signature Bank will furnish copies of its annual report on Form 10-K and any exhibits thereto upon written request to Investor Relations, Signature Bank, 565 Fifth Avenue, New York, NY 10017.

Stockholders Sharing the Same Address; Householding

In accordance with notices to many stockholders who hold their shares through a bank, broker or other holder of record (a "street-name stockholder") and share a single address, only one annual report and proxy statement or Notice of Internet Availability of Proxy Material, as applicable, is being delivered to that address unless contrary instructions from any stockholder at that address were received. This practice, known as "householding," is intended to reduce the Company's printing and postage costs. However, any such street-name stockholder residing at the same address who wishes to receive a separate copy of a Notice of Internet Availability of Proxy Material or this Proxy Statement or accompanying Signature Bank 2013 Annual Report to Stockholders may request a copy by contacting the bank, broker or other holder of record, or the Company by telephone at 646-822-1500, by email to investorrelations@signatureny.com or by mail to Investor Relations, Signature Bank, 565 Fifth Avenue, New York, NY 10017. The voting instruction or Notice of Internet Availability of Proxy Material, as applicable, sent to a street-name stockholder should provide information on how to request (1) householding of future Company materials or (2) separate materials if only one set of documents is being sent to a household. If it does not, a stockholder who would like to make one of these requests should contact the Company as indicated above.

Shareholder Proposals

We anticipate that the 2015 Annual Meeting of Shareholders (the "2015 Annual Meeting") will be held in the first four months of 2015. Any shareholder who intends to present a proposal at the 2015 Annual Meeting, and who wishes to have such proposal included in Signature Bank's Proxy Statement for the 2015 Annual Meeting, must follow the procedures prescribed in Rule 14a-8 of the Securities Exchange Act of 1934, as well as the provisions of our By-laws. To be considered timely, a proposal for inclusion in our Proxy Statement and form of proxy submitted pursuant to Rule 14a-8 for our 2015 Annual Meeting must be received by November 15, 2014. Under our By-laws, shareholder nominees or other proper business proposals must be made by timely written notice given by or on behalf of a shareholder of record of the Company to the Corporate Secretary of the Company. In the case of nomination of a person for election to the Board of Directors or other business to be conducted at the annual meeting of shareholders, notice shall be considered timely if it is received not less than 90 nor more than 120 days prior to the first anniversary of the date on which the Company first mailed its proxy materials for the prior year's

annual meeting of shareholders, except in the case where the Company did not mail proxy materials in connection with the prior year's annual meeting. The notice is required to comply with each of the procedural and informational requirements set forth in our By-laws. The requirements in our By-laws are separate from, and in addition to, the requirements in Regulation 14A under the Securities Exchange Act of 1934 that a shareholder must meet in order to have a shareholder proposal included in the Company's Proxy Statement. To be considered timely under our By-laws, a proposal for business at our 2015 Annual Meeting must be received no earlier than November 15, 2014 and no later than December 15, 2014. For information about the policies of the Company's Board of Directors relating to shareholder nominees, see "Consideration of Director Nominees" in this Proxy Statement.

By Order of the Board of Directors,

/s/ Patricia E. O'Melia

Patricia E. O'Melia

Corporate Secretary

