



Corporate Governance Guidelines

Adopted
January 18, 2017

I. BOARD MEMBERSHIP

1. **Size of Board.** Under ordinary circumstances, the Board is expected to be comprised of nine members, but may be adjusted from time to time by the Board in accordance with the requirements of the Bank's governing documents.
2. **Majority of Independent Directors.** The Board will have a majority of directors who meet the criteria for independence required by any stock exchange on which the common stock of the Bank is listed. In addition to the foregoing requirements, members of the Examining Committee and the Compensation Committee are subject to heightened independence requirements pursuant to the rules of the Securities and Exchange Commission and any applicable stock exchange. The Board shall determine, annually or more frequently as the Board may so desire, based on all of the relevant facts and circumstances, whether each director satisfies these criteria for independence and will disclose each of these determinations.

Each independent director of the Board shall promptly notify the Chairman of the Board of any developments that may impair such director's independence. If a conflict exists and cannot be resolved, such director should submit to the Board written notification of such conflict of interest and an offer of resignation from the Board and each of the Committees on which such director serves. The Board need not accept such offer of resignation; however, the submission of such offer of resignation provides the opportunity for the Board to review the appropriateness of the continuation of such individual's membership on the Board or any Board Committee.

3. **Director Selection and Board Membership Criteria.** The Nominating Committee has, as one of its responsibilities, the recommendation of director candidates to the full Board. Nominees for directorship will be identified by the Nominating Committee in accordance with the criteria set forth below and any other criteria that may be identified by the Board or a Board Committee, if appropriate, and in accordance with the procedures set forth in the Nominating Committee's charter. The Nominating Committee further evaluates each director's compliance with these membership criteria, corporate governance guidelines and any applicable Bank policies, as well as his or her individual performance as a member of the Board, on an annual basis.

(a) **Background.** The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. This assessment will include an individual's independence, as well as consideration of age, skills and experience, and a policy of promoting diversity, in the context of the needs of the Bank.

(b) **Simultaneous Service.** No director should serve on more than two other public company boards. No member of the Examining Committee should serve on more than two other public company audit committees. No director who is an executive officer of another public company should serve on more than one other public company board, aside from the board of his/her own company. Directors should advise the Chairman of the Board and the chair of the Nominating Committee in advance of accepting an invitation to serve on another public company board or audit committee.

(c) **Financial Literacy.** Directors should know how to read and understand fundamental financial statements and understand the use of financial ratios and information in evaluating the financial performance of the Bank.

(d) Character. Directors should be persons of good character and thus should possess all of the following personal characteristics:

- *Integrity*: Directors should demonstrate high ethical standards and integrity in their personal and professional dealings;
- *Accountability*: Directors should be willing to be accountable for their decisions as directors;
- *Judgment*: Directors should possess the ability to provide wise and thoughtful counsel on a broad range of issues;
- *Responsibility*: Directors should interact with each other in a manner which encourages responsible, open, challenging and inspired discussion;
- *High Performance Standards*: Directors should have a history of achievements which reflects high standards for themselves and others;
- *Commitment and Enthusiasm*: Directors should be committed to, and enthusiastic about, their performance for the Bank as directors, both in absolute terms and relative to their peers; and
- *Courage*: Directors should possess the courage to express views openly, even in the face of opposition.

(e) Expectations. Each Director will be expected to:

- dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties;
- comply with the duties and responsibilities set forth herein and in the By-Laws of the Bank;
- comply with all duties of care, loyalty and confidentiality applicable to directors of publicly traded corporations organized in our jurisdiction of incorporation; and
- adhere to the Bank's Code of Business Conduct and Ethics and any other Bank policies that apply to directors.

4. Retirement.

(a) Term Limits. The Board does not favor term limits for directors, but believes it is important to monitor overall Board performance.

(b) Resignation Policy – Management Directors. Management directors shall offer to resign from the Board upon their resignation, removal or retirement as an employee of the Bank.

(c) Change in Job Responsibilities. The Board expects directors to notify the Board promptly and offer to resign from the Board upon a significant change in their business position. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they joined the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, through the Nominating Committee, to review the continued appropriateness of Board membership under the circumstances.

II. BOARD LEADERSHIP

1. Chairman of the Board. The Chairman of the Board shall be elected by the Board. Currently, the Chairman is an Executive Chairman of the Bank; however, the Board believes the Bank and its stockholders are best served by maintaining flexibility to have any director serve as Chairman and therefore believes a permanent policy on whether the Chairman and CEO positions should be separated or combined is not appropriate.

2. **Lead Independent Director.** In order to maintain the independent integrity of the Board, however, if the Chairman is not an independent director, the Board shall appoint a Lead Independent Director who must be independent. The Lead Independent Director's responsibilities shall include: (a) presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors; (b) serving as liaison between the Chairman and the independent directors; (c) reviewing and approving materials to be sent to the Board; (d) approving the meeting agendas for the Board; (e) approving meeting schedules to assure there is sufficient time for discussion of all agenda items; (f) having the authority to call meetings of the independent directors; (g) if requested by major shareholders, ensuring he or she is available for consultation and direct communication; (h) overseeing the Board and Committee evaluation processes; and (i) serving on the Nominating Committee. If the Chairman is an independent director, then the foregoing responsibilities will be handled by the Chairman. Each Lead Independent Director is restricted to five years of consecutive service.

III. BOARD ROLES, PROCEDURES AND PRACTICES

1. **Directors' Duties.** The Board is elected by stockholders to provide oversight and strategic guidance to senior management. The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Bank and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Bank's officers, employees, outside advisors and independent auditors. The Board selects and oversees senior management, to whom the Board delegates the authority and responsibility for the conduct of the day-to-day operations of the business. The Board will adopt a strategic planning process to establish objectives and goals for the Bank and will review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, as appropriate, a strategic plan that takes into account, among other things, the opportunities and risks of the Bank's business and affairs.

Directors are expected to attend the annual meeting of stockholders, Board meetings and meetings of Committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Directors are expected to review meeting materials prior to Board and Committee meetings and, when possible, should communicate in advance of meetings any questions or concerns they wish to discuss so management will be prepared to address the same. Each director's attendance at, and preparation for, Board meetings and meetings of Committees on which they serve, shall be considered by the Nominating Committee when recommending director nominees.

2. **Vote Standard for the Election of Directors.** As mandated by the New York Banking Law, the affirmative vote of a plurality of the votes cast at the meeting is required for the election of directors. The Board has, however, adopted a policy 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 Bank's independent directors. This committee will then recommend to the full Board the action to be taken with respect to such tendered resignation.

3. **Board Meetings.**

(a) Selection of Agenda Items and Executive Sessions. The Chairman of the Board (in consultation with the Lead Independent Director, if any) establishes the agenda for Board meetings although each Board member is free to suggest the inclusion of items on the agenda.

(b) Distribution of Materials. The Bank shall distribute written materials sufficiently in advance of meetings to permit a meaningful review by the directors.

(c) Number of Meetings. The Board currently meets at least 10 times per year. At least quarterly, as part of every regularly scheduled Board meeting, there will be executive sessions without management directors and any other members of the Bank's management present.

4. **Stock Ownership Requirements; Hedging Policy.** The Bank has adopted a policy pertaining to retention of the Bank's securities for all executive officers and independent directors. The policy states all executive officers and independent directors of the Bank must retain 50% of any vested shares (after the payment of taxes) for so long as he or she remains an executive officer or independent director of the Bank. Additionally, the Board adopted the following stock ownership policies for the Bank's senior management team:

(a) Chairman of the Board: 5x base salary

(b) President & CEO: 5x base salary

(c) All other members of the senior management team: 3x base salary

Pursuant to the Bank's Securities Trading Policy, directors, officers and employees are strictly prohibited from hedging any of the Bank's securities.

5. **Director Compensation.** The form and amount of non-management director compensation will be determined by the Board upon the recommendation of the Compensation Committee. The Committee is aware that questions as to directors' independence may be raised when directors' fees and emoluments exceed what is customary. Similar concerns may be raised when the Bank makes substantial charitable contributions to organizations in which a director is affiliated, or enters into consulting contracts with (or provides other indirect forms of compensation to) a director. The Compensation Committee will critically evaluate each of these matters when determining the form and amount of director compensation and will ensure such payments do not violate applicable independence requirements.

6. **Director Orientation and Continuing Education.** The Nominating Committee develops and maintains the Bank's orientation programs for new directors and continuing education programs for directors.

Each new director, upon joining the Board, is provided with an orientation session regarding the Board and the Bank's operations. As part of this orientation, each new director shall have an opportunity to meet with members of senior management of the Bank.

Directors are also provided with continuing education on various subjects that will assist them in discharging their duties, which may include presentations by Bank management or the Board's advisors on the Bank's business, compliance efforts, applicable legal, regulatory or other developments or other matters as the Board, or the Nominating Committee in its oversight of the Board's continuing education program, may deem appropriate.

7. **Assessing Board Performance.** The Board will conduct an annual self-evaluation to determine whether it and its Committees are functioning effectively. The Lead Independent Director will receive comments from all directors as to the Board's performance and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board.

8. **Access to Officers, Employees and Advisors.** Board members have complete and open access to the Bank's senior management, any other employees and any Bank advisors. Board members who wish to have access to such persons may coordinate such access through the Chairman, Lead Independent Director or the Corporate Secretary or may contact such persons directly.
9. **Board Communication Policy.** The Board believes management should speak for the Bank and the Chairman should speak for the Board. In order to ensure compliance with applicable securities laws and to avoid the potential detriment to the interests of the Bank, its stockholders and other constituencies that could result from inconsistent communications, the members of the Board will not respond to media inquiries or make statements to the media regarding the Bank and its business without consultation with, and approval by, the Chairman of the Board or the Board.

Notwithstanding the foregoing, the Board and its Committees have established procedures to enable anyone who wishes to communicate directly with the Board, including with a concern about the Bank's conduct or about the Bank's accounting, internal accounting controls or auditing matters to communicate those concerns to the Board or each Committee. Shareholders should direct written communications to the Bank's Corporate Secretary at Corporate Secretary, Signature Bank, 565 Fifth Avenue, New York, NY 10017, and 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 recipient.

10. **Board Authority.** The Board and each Committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Bank in advance.
11. **Confidentiality.** The Board believes maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board is to be held confidentially and used solely in furtherance of the Bank's business.
12. **Code of Business Conduct and Ethics and Other Bank Policies.** The Bank has adopted a Code of Business Conduct and Ethics and other internal policies and guidelines (including a Securities Trading Policy) designed to support these guidelines and to comply with applicable law. The directors are expected to comply fully with that Code and any other applicable policies and guidelines.

The Board will adopt and review, as appropriate, policies and procedures designed to ensure the Bank, its directors, officers and employees comply, in all material respects, with all applicable regulatory requirements and conduct the Bank's business ethically and with honesty and integrity.

IV. BOARD COMMITTEES

1. **Board Committees.** The Board will have at all times an Examining Committee, a Risk Committee, a Credit Committee, a Compensation Committee and a Nominating Committee. All of these Committees, except for the Risk Committee and the Credit Committee, shall consist solely of independent directors. Committee members will be appointed by the Board upon the recommendation of the Nominating Committee with consideration of the desires of individual directors, except the Nominating Committee will not make recommendations with respect to membership on the Nominating Committee. Each Committee shall have its own charter, which

will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide each committee will annually evaluate its own performance and each committee's charter will be posted on the Bank's website.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

2. **Rotation of Committee Assignments and Chairs.** Committee assignments and the designation of committee chairs should be based on the director's knowledge, interests and areas of expertise as well as the needs of the Bank and the Board. To ensure a fresh perspective on key issues facing the Bank, the chairs of the Examining, Compensation and Nominating Committees are limited to five years of consecutive service as Chairs.

V. EXECUTIVE OFFICER EVALUATION, COMPENSATION AND MANAGEMENT SUCCESSION

1. **Executive Officer Evaluation and Compensation.** The Compensation Committee reviews and approves the Bank's compensation philosophy, policies and programs so as to support the Bank's overall business strategy. On an annual basis, the Compensation Committee will review and approve corporate goals and objectives relevant to the compensation of the Bank's Executive Chairman and CEO, evaluate their performance in light of those goals and objectives and determine and approve their compensation levels based on this evaluation. The Compensation Committee shall also oversee the compensation of other executive officers. No executive officer may be present during voting or deliberations relating to his or her compensation.
2. **Succession.** The Nominating Committee oversees the Bank's management succession planning. The Nominating Committee will develop and recommend to the Board for approval a succession plan for all executive officers as well as an interim CEO succession plan in the event of an unexpected occurrence, and will also review such plan from time to time as appropriate.

VI. PREFERRED STOCK ISSUANCE POLICY

1. The Board has adopted a policy and represents it will not, without prior shareholder approval, issue or use preferred stock for any defensive or anti-takeover purpose or for the purpose of implementing any shareholder rights plan, unless necessary in the exercise of its fiduciary duties. Within these limits, the Board may issue preferred stock for capital raising transactions, acquisitions, joint ventures or other corporate purposes notwithstanding such actions may also have the effect of making an acquisition of the Bank more difficult or costly.