

## 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 17, 2008 at 10:00 a.m., local time.

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 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](http://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

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Joseph J. DePaolo

*President, Chief Executive Officer and Director*

# SIGNATURE BANK

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 17, 2008

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 17, 2008 at 10:00 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 and approve our amended and restated 2004 Equity Plan; and
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed February 29, 2008 as the record date for the Annual Meeting with respect to this solicitation. Only holders of record of Signature Bank's 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.

Signature Bank's Annual Report to Shareholders for the year ended December 31, 2007 is enclosed.

### **Important Notice Regarding the Availability of Proxy Materials for the Signature Bank 2008 Annual Meeting of Shareholders to be Held on April 17, 2008**

The proxy materials for the annual meeting, including the Bank's 2007 Annual Report to Shareholders and the Proxy Statement for the Bank's 2008 Annual Meeting of Shareholders, are available on the Internet at the following address:

<http://investor.signatureny.com/>

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE PAID ENVELOPE AS PROMPTLY AS POSSIBLE. 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

Secretary

*This notice of annual meeting, proxy statement and form of proxy are being distributed on or about March 18, 2008 to Signature Bank shareholders of record.*

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# **SIGNATURE BANK**

**565 Fifth Avenue  
New York, NY 10017**

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## **PROXY STATEMENT**

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The Board of Directors of Signature Bank, “we,” “our,” “us,” or the “Company,” is furnishing this Proxy Statement to solicit proxies for use at Signature Bank’s Annual Meeting of Shareholders (the “2008 Annual Meeting”), to be held on April 17, 2008 at 10:00 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 2008 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 and approval of the Amended and Restated Signature Bank 2004 Long Term Incentive Plan (the “2004 Equity Plan”); and
3. 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 February 29, 2008, the record date for the meeting, are entitled to receive notice of and to participate in the 2008 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 2008 Annual Meeting.

#### **Who can attend the meeting?**

All shareholders as of the record date, or their duly appointed proxies, may attend the 2008 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.

**How do I vote?**

If you complete and properly sign the accompanying proxy card and return it to the Company, it will be voted as you direct. If you are a registered shareholder and attend the meeting, you may deliver your completed proxy card in person. "Street name" shareholders who wish to vote at the meeting will need to obtain a proxy form from the institution that holds their 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 by filing with the Secretary of the Company either a notice of revocation or a duly executed proxy bearing a later date. The powers of the proxy holders will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

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

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card 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); and
- *for* ratification and approval of the amended and restated 2004 Equity Plan (see Proposal 2).

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.

**How are votes counted?**

In the 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 the other items of business, you may vote "FOR," "AGAINST" or "ABSTAIN." If you "ABSTAIN," the abstention has the same effect as a vote "AGAINST." If you provide specific instructions with regard to an item, your shares will be voted as you instruct on such item. If you sign your proxy card or voting instruction card without giving specific instructions, your shares will be voted in accordance with the recommendations of the Board of Directors.

**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 2008 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 the item 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. 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.

**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 2008 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, assembling, printing, mailing 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 2008 Annual Meeting and publish the final results in our Quarterly Report on Form 10-Q for the fiscal period ending June 30, 2008.

## PRINCIPAL SHAREHOLDERS

### Beneficial Ownership Table

The table below sets forth, as of February 15, 2008, information with respect to the beneficial ownership of Signature Bank’s common stock by:

- each of our 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 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 of February 15, 2008. 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 February 15, 2008</u>	
	<u>Number of Shares</u>	<u>Percentage of Class</u>
Price (T. Rowe) Associates Inc.(2) . . . . .	1,989,100	6.7%
Barclays Global Investors UK Holdings Ltd.(3) . . . . .	1,785,450	6.0%
Scott A. Shay(4)(5) . . . . .	553,520	1.9%
Joseph J. DePaolo(4)(5) . . . . .	444,221	1.5%
John Tamberlane(4)(5) . . . . .	233,480	*
Mark T. Sigona(4)(5) . . . . .	120,587	*
Michael Merlo(4)(5) . . . . .	97,699	*
Michael Sharkey(4)(5) . . . . .	41,431	*
Eric R. Howell(4)(5) . . . . .	8,417	*
Peter S. Quinlan(4)(5) . . . . .	23,290	*
Alfonse M. D’Amato(4)(5) . . . . .	30,773	*
Alfred B. DelBello(4)(5) . . . . .	22,501	*
Ann Kaplan(4)(5) . . . . .	18,001	*
Yacov Levy(4)(5) . . . . .	14,500	*
Jeffrey W. Meshel(4)(5) . . . . .	743	*
Kathryn A. Byrne(4)(5) . . . . .	652	*
All current directors and executive officers as a group (14 persons)(4)(5) . . . . .	1,609,815	5.4%

\* Less than 1%.

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

(2) Pursuant to a Schedule 13G filed by Price (T. Rowe) Associates Inc. on February 14, 2008, Price (T. Rowe) Associates Inc., in its capacity as an investment advisor, may be deemed the beneficial owner of these shares. The business address of Price (T. Rowe) Associates Inc. is 100 E. Pratt Street, Baltimore, MD 21202.

(3) Pursuant to public filings by Barclays Global Investors UK Holdings Ltd., Barclays Global Investors UK Holdings Ltd. and its affiliated entities have sole voting power with regard to 1,451,138 shares and sole

dispositive power with regard to 1,785,450 shares. The business address of Barclays Global Investors UK Holdings Ltd. is 45 Fremont Street, San Francisco, CA 94105.

- (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 February 15, 2008:

<u>Name</u>	<u>Option Shares</u>	<u>Restricted Stock</u>
Scott A. Shay . . . . .	347,500	7,034
Joseph J. DePaolo . . . . .	357,500	8,900
John Tamberlane . . . . .	171,000	5,200
Mark T. Sigona . . . . .	79,000	3,334
Michael Merlo . . . . .	67,500	2,833
Michael Sharkey . . . . .	38,000	2,833
Eric R. Howell . . . . .	5,000	2,667
Peter S. Quinlan . . . . .	13,000	1,136
Alfonse M. D'Amato . . . . .	—	470
Alfred B. DelBello . . . . .	1,000	500
Ann Kaplan . . . . .	1,000	500
Yacov Levy . . . . .	1,000	500
Jeffrey W. Meshel . . . . .	—	455
Kathryn A. Byrne . . . . .	—	409

- (5) None of the named individuals has pledged any shares as security.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 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 all of the filing requirements were satisfied for 2007 except that Ann Kaplan, Alfonse M. D'Amato and Yacov Levy each failed to timely file one report of a purchase or sale of common stock. In each case, a report was filed promptly following discovery of the oversight.



## ELECTION OF DIRECTORS

### (PROPOSAL NO. 1)

Signature Bank's 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 2008 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 2008 Annual Meeting of Shareholders, each to serve a term ending at the 2011 Annual Meeting of Shareholders or until their respective successors have been elected and qualified, are Alfred B. DelBello, Scott A. Shay and Joseph J. DePaolo.

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 2009 Annual Meeting and Ann Kaplan, Yacov Levy and John Tamberlane who are Class II directors serving terms ending at the 2010 Annual Meeting.

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

If at the time of the 2008 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

### Directors and Nominees

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

<u>Name</u>	<u>Age</u>	<u>Position</u>
<b>Directors Continuing in Office</b>		
John Tamberlane . . . . .	66	Vice-Chairman and Director
Kathryn A. Byrne . . . . .	42	Director
Alfonse M. D'Amato . . . . .	70	Director
Jeffrey W. Meshel . . . . .	50	Director
Ann Kaplan . . . . .	61	Director
Yacov Levy . . . . .	63	Director
<b>Nominees for Election</b>		
Scott A. Shay . . . . .	50	Chairman of the Board of Directors and Nominee
Joseph J. DePaolo . . . . .	48	President and Chief Executive Officer, Director and Nominee
Alfred B. DelBello . . . . .	73	Director and Nominee

### 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.

*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 a New York City-based accounting and consulting firm, Weiser LLP. Ms. Byrne has provided accounting, auditing, tax and consulting services to domestic and foreign corporations across various industries for more than 18 years.

*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. He also serves on the Board of Directors of CA<sup>TM</sup> (formerly Computer Associates). 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.

*Jeffrey W. Meshel* has been a member of the Board of Directors since September 2005. Mr. Meshel has over 25 years' experience in the acquisition, management, and lending on residential and commercial real estate. Mr. Meshel is also 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 and Paradigm5. Paradigm5 is the first web-based people resource engine where its members define themselves to become a magnet for opportunity. Paradigm5.com is the first website to combine advanced semantic search technology with social networking tools within a business environment to create an online business resource engine.

*Ann Kaplan* has been a Director of Signature Bank since March 2004. Ms. Kaplan is the Chair of Circle Financial Group, a membership organization that provides wealth management services. She is also an Adjunct Professor of Finance at the Columbia University School of Business. Ms. Kaplan is also a director of the Financial Guaranty Insurance Company, Columbia University and the American Red Cross, among others. Ms. Kaplan was an Advisory Director of Goldman, Sachs & Co., which she joined in 1977, from 2002 until 2003. Ms. Kaplan became a General Partner of Goldman, Sachs & Co. in 1990 and a Managing Director in 1999.

*Yacov Levy* has been a Director of Signature Bank since September 2003. Mr. Levy is the founder and Managing Partner of KerenTwo LLC, a venture capital firm, and was the founder and managing partner of Levy Trajman Management Investment LLC, which closed in 2006. In this capacity, he was also the Chairman of RealM Technologies Inc. from 1999 to 2001, a director in ClayCare Systems, Inc. from 1999 to 2000 and a director in Enfoc Software NV from 1999 to 2000. From 1993 to 1996, Mr. Levy served as Chief Executive Officer and acting Chief Financial Officer for Lernout & Hauspie Speech Products NV, a developer and licensor of speech technologies.

## **Director Nominees**

*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 of Ranieri & Co., Inc. and a partner of Hyperion Partners since 1988. Prior to joining Ranieri & Co./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 Hyperion Partners, L.P. 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. and was a member of its audit committee for six years.

*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.

*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 on the Board of Directors of the Westchester Land Trust and the Westchester County Association.

## EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Scott A. Shay . . . . .	50	Chairman of the Board of Directors
Joseph J. DePaolo . . . . .	48	President and Chief Executive Officer, Director
John Tamberlane . . . . .	66	Vice-Chairman, Director
Mark T. Sigona . . . . .	46	Executive Vice President and Chief Operating Officer
Michael Merlo . . . . .	60	Executive Vice President and Chief Credit Officer
Michael Sharkey . . . . .	50	Senior Vice President and Chief Technology Officer
Eric R. Howell . . . . .	37	Senior Vice President and Chief Financial Officer
Peter S. Quinlan . . . . .	41	Senior Vice President and Treasurer

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 1992 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* holds the position of Senior Vice President and Chief Financial Officer, a role to which he was appointed in November 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 Senior Vice President of Signature Bank, a role to which he was appointed in 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 Comptroller of the Currency (OCC) as an Associate National Bank Examiner.

## **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 2007, as well as the other individuals included in the Summary Compensation Table, are referred to as the “named executive officers.”

#### **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. 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. Finally, it is a key objective 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.

#### **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.

#### **The Process of Setting Executive Compensation**

Our Executive Chairman, Scott A. Shay, and our Chief Executive Officer, Joseph J. DePaolo, with the assistance of Ana M. Harris, the director of the Company’s Human Resources department, annually review each executive’s compensation package in light of 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 Compensation Committee for review and approval. Specifically, the Compensation Committee approves the compensation packages of each of the Executive Chairman and the Chief Executive Officer and approves the compensation packages of each other executive officer, giving significant deference to the views and recommendations of the Executive Chairman and Chief Executive Officer. The Executive Chairman and Chief Executive Officer made recommendations in 2007 with respect to their own salary levels. However, the Committee exercises its full discretion in determining the awards.

The Compensation Committee has engaged 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 Committee with guidance and relevant market data to consider when making the compensation decisions for the Executive Chairman and Chief Executive Officer and when deciding whether to ratify recommendations made with respect to the other named executive officers. The Committee 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.

The market data provided by the Committee's consultant enables the 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 Chief Executive Officer 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. 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.

The peer group for 2007 included the following companies:

- City National Corporation
- Valley National Bancorp
- East West Bancorp, Inc.
- Cathay General Bancorp, Inc.
- Boston Private Financial Holdings, Inc.
- NBT Bancorp Inc.
- PrivateBancorp, Inc.
- Independent Bank Corporation
- Yardville National Bancorp
- USB Holding Co., Inc.
- Sterling Bancorp

The Compensation Committee reviews and approves each element of compensation for each named executive officer by taking into consideration the Executive Chairman and Chief Executive Officer recommendations, competitive pay practices at peer companies in the banking industry, the relative compensation levels among the Company's senior executive officers, and historical compensation levels of the individual executive.

### **The Process of Setting Chief Executive Officer Compensation**

The Executive Chairman and the Compensation Committee participate in an annual evaluation of the performance of our Chief Executive Officer ("CEO") and, either as a committee or together with the other independent directors, determine and approve 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 2007 and Why We Chose to Pay Each Element**

For fiscal year ended December 31, 2007, the principal components of compensation for the named executive officers were:

- base salary;
- annual cash bonus;
- restricted stock awards;



- premiums for life insurance policies;
- employment agreements for our Executive Chairman and Chief Executive Officer, including any change of control or severance provisions or personal benefits set forth in those agreements; and
- eligibility to receive benefits under our Change of Control Severance Plan for Key Corporate Employees.

Based on the objectives detailed above, a significant percentage of total compensation is allocated to incentives in order to motivate executives to achieve the business goals set by the Company and reward the executives 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 2007, 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. 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.

*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 executive's compensation relative to that of our other executives and to the market for executives of similar expertise and experience.

During 2007, the Executive Chairman and Chief Executive Officer recommended and the Compensation Committee approved proposed salary increases for certain members of senior management, including the Executive Chairman and the Chief Executive Officer. Such increases were awarded in recognition of the high value of the contributions made by these executives during the past year, the increased level of responsibility assumed by these executives and the overall performance of the Company during that time. These increases also ensure that the base salaries we provide remain competitive in the market for executives of similar expertise and experience. The Compensation Committee approved increases in the annual base salary of the following executive officers: Eric R. Howell from \$185,000 to \$220,000; Michael Merlo from \$235,000 to \$260,000; and Mark T. Sigona from \$205,000 to \$230,000.

*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 Chief Executive Officer 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 employment agreement, the bonus received by the Executive Chairman is to be 50% of the rate in effect for the Chief Executive Officer, which is also established annually pursuant to the terms of his respective employment agreement. For each of the other named executive officers, there is no threshold or minimum bonus level for 2007. The Compensation Committee did not set in advance specific performance targets that are required to be achieved in order to receive bonuses. The performance criteria considered by the Compensation Committee to determine cash bonuses for 2007 included, but was not limited to, growth in the number of private client groups, deposit growth, asset growth, return on assets, return on equity, earnings per share, and the comparison of actual performance against budget. The Compensation Committee or the Board has full discretion in determining the amounts of cash bonuses for our named executive officers (except for the rate of bonus payable to our Executive Chairman described above in relation to the bonus payable to our Chief Executive Officer). In light of our 2007 operating performance and the competitive market for top talent, the Compensation Committee awarded cash bonuses for 2007 in the amounts set forth in the Summary Compensation Table.



*Restricted Stock Awards.* In March 2004, the Board of Directors established and adopted the Signature Bank 2004 Long-Term Incentive Plan. The purpose of our 2004 equity incentive 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, as detailed in the Grants of Plan-Based Awards Table. 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. The restricted stock is subject to a three-year pro-rata vesting period which encourages executive retention and preservation of shareholder value. 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 of Directors, has the authority to determine the terms and conditions of any agreements evidencing any awards granted under our 2004 equity incentive plan, and to adopt, alter and repeal rules, guidelines and practices relating to our 2004 equity incentive 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 Chief Executive Officer 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. Any of our employees, directors, officers or consultants who are or will be responsible for or contribute to the management, growth or profitability of the business of the Company or its subsidiaries or affiliates are eligible for awards under our 2004 equity incentive plan.

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 22<sup>nd</sup>, the anniversary date of our initial public offering. In light of our strong operating performance in 2006, the Compensation Committee awarded restricted stock in March 2007 as set forth in the Grants of Plan-Based Awards Table.

The Compensation Committee has taken into account the decrease in net income caused by the other than temporary impairment write-down on investments in our securities portfolio in determining the amount of restricted stock to be awarded in March 2008. As a result, the awards were reduced by 57%.

In September 2007, the Compensation Committee determined that it would make a special one-time grant of restricted stock or restricted stock units to certain of our executives, including each named executive officer, upon shareholder approval of our amended 2004 equity incentive plan. This special one-time grant is being made to incentivize senior management and as a long term retention device, as the awards vest ratably on each of the sixth through tenth anniversaries of the date of grant, subject to continued employment on each such date (except that vesting will accelerate upon the death of the recipient or a change of control of the Company). See Proposal No. 2 — "Ratification and Approval of the Amended and Restated 2004 Equity Plan" for a description of the value of awards that will be granted to our named executive officers if the amended 2004 equity incentive plan is approved by our shareholders.

*Other Executive Benefits and Perquisites.* We do not provide any named executive officers with perquisites or other personal benefits. Executives 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. Taxes are also paid on behalf of executives 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. 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. 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.

*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 certain members of senior management 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. We are recommending that shareholders approve the amendments to the 2004 equity incentive plan so that, 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). See Proposal No. 2 — “Ratification and Approval of the Amended and Restated 2004 Equity Plan”. The Committee, however, reserves the right to issue awards under the 2004 equity incentive plan to our executive officers that are not tax deductible under Section 162(m) when, in the exercise of the 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, 2006 and December 31, 2007 to its named executive officers.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Stock Awards (\$)(1)</u>	<u>Option Awards (\$)(2)</u>	<u>All Other Compensation (\$)(3)</u>	<u>Total (\$)</u>
Joseph J. DePaolo, . . . . . President and Chief Executive Officer	2007	375,000	750,000	255,907	—	22,696	1,403,603
	2006	363,461	550,000	164,709	—	15,647	1,093,817
Eric R. Howell, . . . . . Senior Vice President and Chief Financial Officer	2007	211,923	180,000	76,656	—	10,882	479,461
	2006	176,923	90,000	39,265	—	9,131	315,319
Scott A. Shay, . . . . . Chairman of the Board of Directors	2007	345,000	375,000	202,465	—	11,940	934,405
	2006	334,616	275,000	107,315	—	11,450	728,381
John Tamberlane, . . . . . Vice-Chairman	2007	265,000	180,000	149,893	—	15,262	610,155
	2006	261,539	125,000	100,722	—	14,988	502,249
Michael Merlo, . . . . . Executive Vice President and Chief Credit Officer	2007	251,154	180,000	81,002	—	12,637	524,793
	2006	235,000	100,000	57,483	—	12,381	404,864
Mark T. Sigona, . . . . . Executive Vice President and Chief Operating Officer	2007	224,231	180,000	95,240	—	11,687	511,158
	2006	200,846	100,000	68,973	—	10,365	380,184

(1) Represents fiscal year compensation cost recognized for financial statement reporting purposes in accordance with Statement of Financial Accounting Standard No. 123 (FAS 123R) of all outstanding stock awards. Refer to Note 2(n) — 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, 2007 for our accounting policy related to stock-based compensation.

(2) On December 20, 2005, our Compensation Committee of the Board of Directors and the Board of Directors approved the accelerated vesting and exercisability of all outstanding unvested and unexercisable stock options to purchase common shares of the Company held by employee directors, officers, employees and consultants. As a result, no compensation expense was recorded on the Company’s books related to unvested stock options

and, therefore, no option-related compensation is included for the named executive officers above. In addition, there were no option grants made in 2006 or 2007.

- (3) The following table details the types and amounts of “All Other Compensation” paid to each of our named executive officers.

#### All Other Compensation Table

<u>Name</u>	<u>Year</u>	<u>Contributions to Defined Benefit Plans (\$)(1)</u>	<u>Insurance Premiums (\$)(2)</u>	<u>Total (\$)</u>
Joseph J. DePaolo . . . . .	2007	11,250	11,446	22,696
	2006	11,000	4,647	15,647
Eric R. Howell . . . . .	2007	10,596	286	10,882
	2006	8,846	285	9,131
Scott A. Shay . . . . .	2007	11,250	690	11,940
	2006	11,000	450	11,450
John Tamberlane . . . . .	2007	11,250	4,012	15,262
	2006	11,000	3,988	14,988
Michael Merlo . . . . .	2007	11,250	1,387	12,637
	2006	11,000	1,381	12,381
Mark T. Sigona . . . . .	2007	11,212	475	11,687
	2006	10,042	323	10,365

- (1) Represents Company matching contributions under Company’s 401(k) Plan.  
(2) Represents payment of taxes on behalf of executive with respect to benefits under disability and life insurance policies.

#### Grants of Plan-Based Awards in 2007 Fiscal Year

The following table presents information with respect to each award made to our named executive officers under (i) our 2004 equity incentive plan in 2007, and (ii) in accordance with the terms of each of our Chief Executive Officer’s and Executive Chairman’s employment agreements. The Company has not granted any performance-based equity awards and no stock options were granted during 2007.

<u>Name</u>	<u>Grant Date</u>	<u>Corporate Action Date(1)</u>	<u>All Other Stock Awards: Number of Shares of Stock or Units (#)(2)</u>	<u>Exercise or Base Price of Option Awards (\$/Sh)(3)</u>	<u>Closing Price on Grant Date (\$/Sh)(4)</u>	<u>Grant Date Fair Value of Stock and Option Awards (\$)(5)</u>
Joseph J. DePaolo . . . . .	3/22/2007	1/16/2007	11,000	32.98	33.24	362,780
Eric R. Howell . . . . .	3/22/2007	1/16/2007	3,500	32.98	33.24	115,430
Scott A. Shay . . . . .	3/22/2007	1/16/2007	8,800	32.98	33.24	290,224
John Tamberlane . . . . .	3/22/2007	1/16/2007	6,600	32.98	33.24	217,668
Michael Merlo . . . . .	3/22/2007	1/16/2007	3,500	32.98	33.24	115,430
Mark T. Sigona . . . . .	3/22/2007	1/16/2007	4,000	32.98	33.24	131,920

- (1) Represents the approval of grants of equity-based compensation at a meeting of the Compensation Committee held on January 16, 2007.  
(2) Restricted shares vest equally over three years on March 22nd of each year, beginning with the first anniversary of the grant date (March 22, 2007).  
(3) Exercise or base price is calculated as the average of the high and low price of our common stock on grant date as quoted on the Nasdaq National Market.  
(4) As quoted on the Nasdaq National Market.

(5) Calculated as the number of shares or options granted multiplied by the exercise or base price.

### **Employment Agreements**

The only named executive officers who are currently party to an employment agreement are our Chief Executive Officer and our Executive Chairman.

#### ***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 Chief Executive Officer for a three-year period (with automatic one-year renewals unless either party gives ninety (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 of Directors' discretion (such base salary was \$375,000 in 2007), an annual bonus subject to meeting certain performance-based criteria to be determined from time-to-time by the Board of Directors, participation in our 2004 equity incentive 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 ninety (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 of Director's discretion (such base fee was \$345,000 in 2007), an annual bonus of 50% of the rate in effect for the Chief Executive Officer, subject to meeting certain performance-based criteria to be determined from time-to-time by the Board of Directors, participation in our 2004 equity incentive 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 2007 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, 2007.

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (Exercisable) (#)(5)	Number of Securities Underlying Unexercised Options (Unexercisable) (#)(1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)(2)	Option Exercise Price (\$)(3)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(4)(5)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(2)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(2)
Joseph J. DePaolo . . . .	330,000	—	—	15.50	3/22/2014	19,566	660,353	—	—
	27,500	—	—	26.11	3/22/2015				
Eric R. Howell . . . . .	—	—	—	15.50	3/22/2014	6,000	202,500	—	—
	5,000	—	—	26.11	3/22/2015				
Scott A. Shay . . . . .	325,000	—	—	15.50	3/22/2014	15,566	525,353	—	—
	22,500	—	—	26.11	3/22/2015				
John Tamberlane . . . .	160,000	—	—	15.50	3/22/2014	11,600	391,500	—	—
	11,000	—	—	26.11	3/22/2015				
Michael Merlo . . . . .	60,000	—	—	15.50	3/22/2014	6,166	208,103	—	—
	7,500	—	—	26.11	3/22/2015				
Mark T. Sigona . . . . .	70,000	—	—	15.50	3/22/2014	7,166	241,853	—	—
	9,000	—	—	26.11	3/22/2015				

- (1) On December 20, 2005, our Compensation Committee of the Board of Directors and the Board of Directors approved the accelerated vesting and exercisability of all outstanding unvested and unexercisable stock options to purchase common shares of the Company held by employee directors, officers, employees and consultants.
- (2) The Company has not granted any performance-based equity awards.
- (3) Stock options granted in connection with our Initial Public Offering were priced at \$15.50. Subsequent option exercise prices were calculated at the average of the high and low price of our common stock on grant date as quoted on the Nasdaq National Market.
- (4) Market value is based on the \$33.75 closing price of our common stock on the Nasdaq National Market at December 31, 2007.

- (5) The following table sets forth the December 31, 2007 potential realizable value of all exercisable and unexercised stock options based on the \$33.75 closing price of our common stock on the Nasdaq National Market at December 31, 2007. In addition, it also details the vesting period and final vesting date of each nonvested restricted share grant.

Name	Options			Restricted Shares			
	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Potential Future Realizable Value (\$)	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Vesting Period	Final Vesting Date
Joseph J. DePaolo . . .				3/22/2005	1,900	Equally - 3 Years	3/22/2008
	3/22/2004	330,000	6,022,500	3/22/2006	6,666	Equally - 3 Years	3/22/2009
	3/22/2005	27,500	210,238	3/22/2007	11,000	Equally - 3 Years	3/22/2010
Eric R. Howell . . . . .				3/22/2005	500	Equally - 3 Years	3/22/2008
	3/22/2004	—	—	3/22/2006	2,000	Equally - 3 Years	3/22/2009
	3/22/2005	5,000	38,225	3/22/2007	3,500	Equally - 3 Years	3/22/2010
Scott A. Shay . . . . .				3/22/2005	1,433	Equally - 3 Years	3/22/2008
	3/22/2004	325,000	5,931,250	3/22/2006	5,333	Equally - 3 Years	3/22/2009
	3/22/2005	22,500	172,013	3/22/2007	8,800	Equally - 3 Years	3/22/2010
John Tamberlane . . .				3/22/2005	1,000	Equally - 3 Years	3/22/2008
	3/22/2004	160,000	2,920,000	3/22/2006	4,000	Equally - 3 Years	3/22/2009
	3/22/2005	11,000	84,095	3/22/2007	6,600	Equally - 3 Years	3/22/2010
Michael Merlo . . . . .				3/22/2005	666	Equally - 3 Years	3/22/2008
	3/22/2004	60,000	1,095,000	3/22/2006	2,000	Equally - 3 Years	3/22/2009
	3/22/2005	7,500	57,338	3/22/2007	3,500	Equally - 3 Years	3/22/2010
Mark T. Sigona . . . . .				3/22/2005	833	Equally - 3 Years	3/22/2008
	3/22/2004	70,000	1,277,500	3/22/2006	2,333	Equally - 3 Years	3/22/2009
	3/22/2005	9,000	68,805	3/22/2007	4,000	Equally - 3 Years	3/22/2010

#### Option Exercises and Stock Vested During 2007 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 2007.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)(1)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)(2)	Value Realized on Vesting (\$)(2)
Joseph J. DePaolo . . .	20,000	337,700	5,234	172,617
Eric R. Howell . . . . .	20,000	344,100	1,500	49,470
Scott A. Shay . . . . .	—	—	4,100	135,218
John Tamberlane . . . .	—	—	3,000	98,940
Michael Merlo . . . . .	—	—	1,667	54,978
Mark T. Sigona . . . . .	—	—	2,000	65,960

- (1) Mr. DePaolo exercised 20,000 options on February 5, 2007 at a fair value of \$32.39. Mr. Howell exercised 13,334 options on January 30, 2007 at a fair value of \$32.77 and 6,666 options on May 10, 2007 at a fair value of \$32.58.
- (2) Reflects restricted shares that vested on March 22, 2007 at a fair value of \$32.98.



## 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. In such circumstances, Mr. DePaolo will also be entitled to continued medical coverage for 18 months 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 ten 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 ten 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.

The following table sets forth arrangements that provide for payments to each of Joseph J. DePaolo and Scott A. 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, 2007 and there was no change of control of the Company.

<u>Name</u>	<u>Benefit</u>	<u>Amount Payable for Termination Without Cause or for Good Reason (\$)</u>	<u>Amount Payable by Reason of Death or Disability (\$)</u>
Joseph J. DePaolo . . . . .	Cash Severance	\$1,275,000	\$550,000
	Continued Welfare Benefits	\$ 40,490	—
	LTIP Payment	\$ 659,961	—
Scott A. Shay . . . . .	Cash Severance	\$ 952,500	\$275,000
	Continued Welfare Benefits	—	—
	LTIP Payment	\$ 525,041	—

**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 and September 19, 2007, 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 of Directors which is not approved by our pre-change Board of Directors; (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 the executive's base salary and highest annual bonus in the last three years; (iv) an amount equal to two times the fair market value of the largest single restricted stock grant made in the 36 months (ignoring any grants of restricted stock approved by the Board of Directors (subject to shareholder approval) in September 2007) 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 (or until the executive becomes eligible for comparable coverage under another employer's health plans, if earlier). In calculating the amount of bonus received by an employee, the plan does not take into account any special bonus paid to employees in 2005 by the Bank's former parent company, Bank Hapoalim.

If amounts payable under our severance plan would subject a participant to an excise tax on account of Sections 280G and 4999 of the Internal Revenue Code, the participant 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 Internal Revenue 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 occurred and such termination took place on December 31, 2007.

<u>Name</u>	<u>Benefit</u>	<u>Amount Payable for Termination Without Cause or for Good Reason (\$)</u>
Joseph J. DePaolo . . . . .	Cash Severance	\$3,142,060
	Continued Welfare Benefits	\$ 53,987
	LTIP Payment	\$ 659,961
Eric R. Howell . . . . .	Cash Severance	\$ 942,553
	Continued Welfare Benefits	\$ 39,471
	LTIP Payment	\$ 202,380
Scott A. Shay . . . . .	Cash Severance	\$2,108,648
	Continued Welfare Benefits	\$ 41,499
	LTIP Payment	\$ 525,041
	Excise Tax Gross Up	\$1,281,730
John Tamberlane . . . . .	Cash Severance	\$1,425,236
	Continued Welfare Benefits	\$ 27,161
	LTIP Payment	\$ 391,268
Michael Merlo . . . . .	Cash Severance	\$1,056,110
	Continued Welfare Benefits	\$ 6,139
	LTIP Payment	\$ 207,979
Mark T. Sigona . . . . .	Cash Severance	\$1,029,840
	Continued Welfare Benefits	\$ 12,038
	LTIP Payment	\$ 241,709

## 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 2007.

**Director Compensation Table**

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Stock Awards \$(1)(2) (5)(6)(7)</u>	<u>Option Awards \$(3)(4) (5)(6)(7)</u>	<u>Total (\$)</u>
Kathryn A. Byrne . . . . .	48,500	12,441	—	60,941
Alfonse M. D’Amato . . . . .	46,500	14,485	—	60,985
Alfred B. DelBello . . . . .	42,500	19,970	3,697	66,167
Ann Kaplan . . . . .	60,500	19,970	3,697	84,167
Yacov Levy . . . . .	64,000	19,970	3,697	87,667
Jeffrey W. Meshel . . . . .	44,500	13,980	—	58,480

- (1) On March 22, 2007, each Board member was granted 500 restricted shares with a fair value of \$16,490. All grants vest equally over three years ending on March 22, 2010.
- (2) On March 22, 2007, Mr. DelBello, Ms. Kaplan and Mr. Levy each recognized compensation in the amount of \$65,960 from the vesting of 2,000 restricted shares at a fair value of \$32.98; Mr. D’Amato recognized compensation in the amount of \$9,993 from the vesting of 303 restricted shares at a fair value of \$32.98; Ms. Byrne recognized compensation in the amount of \$8,014 from the vesting of 243 restricted shares at a fair value of \$32.98; and Mr. Meshel recognized compensation in the amount of \$9,498 from the vesting of 288 shares at a fair value of \$32.98.
- (3) On December 20, 2005, our compensation committee of the Board of Directors and the Board of Directors approved the accelerated vesting and exercisability of all outstanding unvested and unexercisable stock options to purchase common shares of the Company held by employee directors, officers, employees and consultants. The grants of 1,000 options made to each of our independent directors (Mr. DelBello, Ms. Kaplan and Mr. Levy) on March 22, 2005 will vest in accordance with their original terms (equally over 3 years ending on March 22, 2008).
- (4) There were no option grants made in 2007.
- (5) At December 31, 2007, each Director had the following aggregate number of outstanding nonvested restricted shares and unexercised stock options with potential realizable values based on the \$33.75 closing price of our common stock on the Nasdaq National Market at December 31, 2007: Ms. Byrne — 984 restricted shares, potential realizable value — \$33,210; Mr. D’Amato — 1,106 restricted shares, potential realizable value — \$37,328; Mr. DelBello, Ms. Kaplan and Mr. Levy — 999 restricted shares and 1,000 stock options, potential realizable values, respectively — \$33,716 and \$7,645; and Mr. Meshel — 1,076 restricted shares, potential realizable value — \$36,315.
- (6) Refer to Note 2(n) — 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, 2007 for the assumptions used in determining option fair value.
- (7) Represents fiscal year compensation cost recognized for financial statement reporting purposes in accordance with Statement of Financial Accounting Standard No. 123 (SFAS No. 123R).

In 2007, independent directors received an annual fee of \$26,000, payable \$6,500 per quarter, and an additional fee of \$1,500 for each Board of Directors meeting they attended (\$500 if they attend telephonically). In addition, they received \$1,000 for each committee meeting they attended and the Chairman of the Examining Committee received an annual fee of \$12,500. An annual fee of \$7,500 was also paid to the Chairman of the Compensation Committee. In 2008, directors will continue to receive an annual fee of \$26,000, payable \$6,500 per quarter. The additional fee received for each Board of Directors meeting they attend will remain at \$1,500 (\$500 if they attend telephonically), and they will receive \$1,000 for each committee meeting they attend. The Chairman of the Examining Committee will receive an annual fee of \$12,500, and an annual fee of \$7,500 will be paid to the Chairman of the Compensation Committee. Directors are reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the Board of Directors and its committees. In addition, each independent director received, on March 22, 2007, 500 restricted shares of

common stock for services as a director in 2007-2008, and will receive 1,500 restricted shares of common stock on March 22, 2008 for services as a director in 2008-2009. The shares of common stock awarded in 2007 vest equally over three years and the shares to be awarded in 2008 will vest in equal quarterly installments over one year.

#### **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

None of our executive officers serves as a member of the Board of Directors or compensation committee of any entity that has one or more executive officers who also serve on our Board of Directors or compensation committee. No member of the compensation committee during 2007 was an officer or employee of us or any of our subsidiaries.

## 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, 2007. The 2007 members of the Compensation Committee are three non-executive members of our Board of Directors: Alfred B. DelBello, Ann Kaplan, and Alfonse M. D'Amato. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis portion of this proxy statement with management, and recommends 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

Ann Kaplan (Chairwoman)  
Alfred B. DelBello  
Alfonse M. D'Amato

*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.signatireny.com](http://www.signatireny.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 relating to legal and regulatory compliance, ethics and conflicts of interests, 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 10 times during 2007. 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 chairman of the Examining Committee.

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 2007, 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 *Statement on Auditing Standards No. 61 (Communication 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 undersigned Examining Committee members 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, 2007, for filing with the FDIC.

Yacov Levy, the Examining Committee Chairman, and Kathryn A. Byrne each qualifies as an audit committee financial expert under the SEC rules implementing Section 407 of the Sarbanes-Oxley Act of 2002.

EXAMINING COMMITTEE

Yacov Levy (Chairman)

Kathryn A. Byrne

Ann Kaplan

*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.*

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

### **Procedures for Approval of Transactions with Related Persons**

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 Directors and Executive Officers**

We have made loans or otherwise extended credit to Messrs. Merlo, Sharkey and Howell, of which only the loans to Messrs. Merlo and Howell are outstanding as of December 31, 2007, in aggregate principal amounts of \$5,567.82 and \$596,780.86, respectively. In each case, the loans or other extensions of credit were made in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not involve more than the normal risk of collectibility or present other unfavorable features.

### **Lease Transactions**

On April 5, 2002, Signature Bank entered into an approximately 15-year lease with Franklin Avenue Plaza LLC for the premises located at 1225 Franklin Avenue, Garden City, NY. Under this lease, Signature Bank pays Franklin Avenue Plaza an annual base rent which increases every year up to a maximum amount of \$365,000 for the final year of the lease and also agrees to pay certain taxes and other charges related to the leased property. The payment by Signature Bank of all amounts payable to Franklin Avenue Plaza under this lease is guaranteed by Bank Hapoalim in an amount not to exceed \$5 million pursuant to a Limited Guaranty issued on May 29, 2002 by Bank Hapoalim. Signature Bank pays Bank Hapoalim an annual fee under this Limited Guaranty payable at the beginning of each year in an amount equal to 0.25% of the gross remaining amount of all cumulative rent payments for the remainder of the term of the lease. Signature Bank incurred expenses of approximately \$8,848.30 under this Limited Guaranty for the year ended December 31, 2007.



## **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, Yacov Levy, Ann Kaplan and Jeffrey W. Meshel are "independent directors" as defined in the Nasdaq Marketplace Rules.

### **Board of Directors' Structure and Committee Composition**

During 2007, our Board of Directors had nine directors and three Board of Directors committees: 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](http://www.signatureny.com)) under "*Investor Relations*." During 2007, the Board of Directors held 11 meetings. During this period, all of the directors attended or participated in more than 75% 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. Except for Mr. DePaolo and Ms. Kaplan, each member of our Board of Directors was present at the 2007 Annual Meeting.

#### ***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; 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. The functions of the Examining Committee are further described

in this proxy statement under “Report of Examining Committee.” During 2007, the members of the Examining Committee were Yacov Levy, Kathryn A. Byrne and Ann Kaplan and the Examining Committee held 10 meetings. The Board of Directors has determined that Yacov Levy and Kathryn A. Byrne, each of whom is independent as such term is defined by the Nasdaq Marketplace Rules, are “financial experts” under the SEC rules. During 2007, the Board of Directors elected to impose a term limit of five years on the chairman of the Examining Committee. The charter of the Examining Committee is available on the Company’s website ([www.signatureny.com](http://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](http://www.signatureny.com)) under “Investor Relations.” The 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 chairperson is designated by the Board and the committee must have at least two meetings per year. In 2007, the Board of Directors elected to impose a five-year term limit on the chairperson. During 2007, the members of the Compensation Committee were Ann Kaplan, who also acted as the Chair, Alfred B. DelBello and Alfonse M. D’Amato and the Compensation Committee met three times.

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 Long-Term Incentive 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.

### *Nominating Committee*

In January 2006, the Board of Directors of the Company formed a 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 Audit Committee members. During 2007, the members of the Nominating Committee were Alfred B. DelBello and Alfonse M. D'Amato and the Nominating Committee held two meetings. The charter of the Nominating Committee is available on the Company's website ([www.signatureny.com](http://www.signatureny.com)) under "*Investors 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 consists 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.

### **New Directors**

No new members were elected to the Board of Directors during 2007.

### **Executive Sessions**

As required by the Nasdaq Marketplace Rules, our independent directors hold meetings in executive session at which only independent directors are present. Such meetings are held periodically, and other meetings may be called at the request of the independent members of the Board of Directors. During 2007, the independent directors held four meetings in executive session.

## Advisory Board

We have established an advisory board whose function is to provide senior management with advice on strategic direction and business development initiatives. Our advisory board is currently composed of the following individuals:

Stanley Kreitman . . . . .	Chairman of the Board of Directors of Geneva Financial Corp. and Vice-Chairman of Manhattan Associates LLC, a merchant banking firm.
Lewis S. Ranieri . . . . .	Chairman, Franklin Bank Corp.; Chairman and Trustee, American Financial Realty Trust; Founder and Managing Partner, Hyperion Partners.
Michael Steinhardt . . . . .	Retired hedge fund manager. Philanthropist. Founder and Chairman of The Steinhardt Foundation for Jewish Life. Chairman of WisdomTree Investments, an asset management firm.
John Sullivan . . . . .	Managing Director of CapGen Financial, a private equity firm investing in banks and other financial services firms. Former President, Chief Executive Officer and Director of Hamilton Bancorp; former President, Chief Operating Officer and Director of River Bank America; former President, Chief Executive Officer and Director of Continental Bank; former Chairman of the Board of Directors of Olympian Bank.

## 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 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 Compensation Committee or the Nominating Committee. Each written communication intended for the Board of Directors or one of the committees and received by the 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, 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](http://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.

**RATIFICATION AND APPROVAL OF THE  
AMENDED AND RESTATED 2004 EQUITY PLAN  
(PROPOSAL NO. 2)**

**General**

At the 2008 Annual Meeting, you are being asked to approve the Signature Bank Amended and Restated 2004 Long-Term Incentive Plan (the “2004 Equity Plan”), including the applicable performance goals and other performance-based provisions of the 2004 Equity Plan, to ensure that compensation in respect of awards made under the 2004 Equity Plan based on the performance criteria set forth in the 2004 Equity Plan may be deductible by the Company. Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), generally does not allow publicly held companies to obtain tax deductions for compensation of more than \$1.0 million paid in any year to their chief executive officer, or any of their other named executive officers (other than the chief financial officer), unless such payments are “performance-based” in accordance with conditions specified under Section 162(m) of the Code and the Treasury Regulations promulgated thereunder (“Section 162(m)”). One of those conditions requires the Company to disclose the material terms of the performance goals of the 2004 Equity Plan and to obtain shareholder approval of each performance criterion that a committee of outside directors may use in granting an award under the 2004 Equity Plan that is intended to satisfy the requirements of Section 162(m). In addition, if the committee has the authority to change the targets under a performance goal after shareholder approval of the goal, the material terms of the performance goals must be disclosed and reapproved by shareholders no later than the first shareholders meeting that occurs in the fifth year following the year in which shareholders previously approved the performance goals.

The Board of Directors of the Company originally adopted the 2004 Equity Plan in 2004. The shareholders of the Company have not previously been required to approve the plan as it was adopted prior to the Company’s initial public offering.

Since the date of the Company’s initial public offering, the Company has not been subject to the provisions of Section 162(m) because of a transitional relief exception under Section 162(m) that applies to newly public companies. However, this transitional relief expires on the date of the 2008 Annual Meeting. If this proposal is approved, and if the applicable performance goals are satisfied, this proposal would enable the Company to continue to issue awards under the 2004 Equity Plan to executive officers of the Company and to obtain tax deductions with respect to such awards, without regard to the limitations of Section 162(m). If this proposal is not approved by shareholders, compensation attributable to grants of awards under the 2004 Equity Plan to our named executive officers may not be tax deductible by the Company. The Compensation Committee, however, reserves the right to issue awards under the 2004 Equity Plan to our executive officers that are not tax deductible under Section 162(m).

In addition to changes to the provisions of the 2004 Equity Plan relating to compensation intended to qualify as performance-based compensation for purposes of Section 162(m), the other material changes to the 2004 Equity Plan, as proposed to be amended, are (1) an additional 1,213,550 shares of Common Stock will be made available for future issuance under the 2004 Equity Plan such that the total number of shares of Common Stock reserved for issuance under the 2004 Equity Plan will be increased from 2,286,450 to 3,500,000, and the total number of shares of Common Stock available for issuance from and after January 1, 2008 will be 1,932,415, (2) a change in the method of determining the fair market value of a share of Common Stock for purposes of the 2004 Equity Plan from the average of the high and low to the closing price on the applicable date, and (3) providing for vesting of outstanding awards on the death of a 2004 Equity Plan participant.

**Summary of the Signature Bank 2004 Long-Term Incentive Plan, as amended**

The following description of the 2004 Equity Plan is only a summary of certain provisions thereof and is qualified in its entirety by reference to its full text, a copy of which is attached as Appendix A to this Proxy Statement, and should be read in conjunction with the following summary.



### ***Purpose***

The purpose of the 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.

### ***Administration***

Our Compensation Committee will administer the 2004 Equity Plan. The Board of Directors may exercise any authority granted to the Compensation Committee under the 2004 Equity Plan. The Compensation Committee will have the authority to determine the terms and conditions of any agreements evidencing any awards granted under the 2004 Equity Plan, and to adopt, alter and repeal rules, guidelines and practices relating to the 2004 Equity Plan.

### ***Eligibility***

Any of our employees, directors, officers or consultants who are or will be responsible for or contribute to the management, growth or profitability of the business of the Company or its subsidiaries or affiliates are eligible for awards under the 2004 Equity Plan. As of December 31, 2007, approximately 512 persons were eligible to participate in the 2004 Equity Plan, including 310 officers of the Bank, 187 non-officer employees of the Bank, 9 external consultants and 6 non-employee directors.

### ***Number of Shares Authorized***

The number of shares of Company Common Stock authorized for issuance under the 2004 Equity Plan is 3,500,000. No participant may be granted options to purchase more than 1,000,000 shares of Common Stock in any one year. If any award is forfeited, or if any option terminates, expires or lapses without being exercised, shares of Common Stock subject to such award will again be available for future awards. If there is any change in corporate capitalization, the Compensation Committee in its sole discretion (subject to the approval of the Superintendent of Banks of the State of New York) may make substitutions or adjustments to the number of shares reserved for issuance under the 2004 Equity Plan, the number of shares covered by awards then outstanding under the 2004 Equity Plan, the limitations on awards under the 2004 Equity Plan, the exercise price of outstanding options and such other equitable substitution or adjustments as it may determine to be appropriate.

The 2004 Equity Plan will have a term of ten years and no further awards may be granted after the expiration of the term.

### ***Awards Available for Grant***

The Compensation Committee may grant awards of nonqualified stock options, incentive (qualified) stock options, restricted stock awards, restricted stock units, cash bonus awards, qualified performance-based awards or any combination of the foregoing.

### ***Stock Options***

The Compensation Committee is authorized to grant options to purchase shares of Common Stock that are either "qualified," which include those options that satisfy the requirements of Section 422 of the Internal Revenue Code for incentive stock options, or "nonqualified," which include those options that are not intended to satisfy the requirements of Section 422 of the Internal Revenue Code. These options will be subject to the terms and conditions established by the Compensation Committee. Under the terms of the 2004 Equity Plan and unless the Compensation Committee determines otherwise, the exercise price of the options will not be less than the fair market value of our Common Stock at the time of grant.

The term of the options will be fixed by the Compensation Committee, but incentive stock options granted will generally terminate on the tenth anniversary of their grant, unless terminated earlier because of a participant's termination of employment. Options granted under the 2004 Equity Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by our Committee and specified in the applicable award agreement. Participants generally will exercise an option by delivery of a certified or bank

check in an amount equal to the exercise price of that option. The Compensation Committee may permit a participant to deliver unrestricted shares of Common Stock to exercise an option, provided the Common Stock delivered has been owned by the participant for at least six months or was previously acquired by the participant on the open market. To the extent permitted by applicable law, the Compensation Committee may also allow the option price to be paid with the proceeds of a brokered sale or loan proceeds.

Under the terms of the 2004 Equity Plan and unless a particular stock option agreement provides otherwise, (i) if a participant's employment is terminated prior to the expiration of the options for any reason other than death, "disability" (as defined in the plan), retirement or "cause" (as defined in the plan), the exercisable portion of the option generally remains exercisable for ninety days; (ii) if a participant terminates employment due to disability, the exercisable portion of the option generally remains exercisable for the shorter of one year from the date of the termination of employment and the stated term of the option; (iii) if a participant terminates employment due to retirement, the exercisable portion of the option generally remains exercisable for the shorter of one year from the date of the participant's retirement and the stated term of the option; (iv) if a participant terminates employment due to death or a participant dies after a termination of employment due to disability or retirement and during the exercisable period, the exercisable portion of the option remains exercisable for the stated term of the option; and (v) if a participant is terminated for cause, all options immediately terminate.

If a participant involuntarily terminates employment other than for "good reason" (as defined in a participant's employment or consulting agreement), other than by the Company for cause, or due to death or disability during the 24-month period following a "change in control" (as defined in the plan), the exercisable portion of the option generally remains exercisable for the shorter of the stated term of the option and the longer of one year from the date of the participant's termination of employment or service and any other period provided in the 2004 Equity Plan or in the stock option agreement or an applicable employment or consulting agreement.

Options awarded under the 2004 Equity Plan generally will not be assignable or transferable other than by will or by the laws of descent and distribution.

### ***Restricted Stock***

The Compensation Committee is authorized to award restricted stock, including performance-based restricted stock. The awards of restricted stock will be subject to the terms and conditions established by the Compensation Committee. Restricted stock is Common Stock that generally is non-transferable and is subject to other restrictions determined by the Compensation Committee for a specified period. 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, unless the termination is due to the death of the participant as in such circumstances all unvested restricted stock will immediately vest and become exercisable on the death of the participant.

### ***Restricted Stock Unit Awards***

The Compensation Committee is authorized to award restricted stock units. Restricted stock unit awards will be subject to the terms and conditions established by the Compensation Committee. Unless the Compensation Committee determines otherwise, or specifies otherwise in an award agreement, if the participant terminates employment or services during the period of time over which all or a portion of the units are to be earned, then any unvested units will be forfeited, unless the termination is due to the death of the participant as in such circumstances all unvested units will immediately vest and become exercisable on the death of the participant. At the election of the Compensation Committee, the participant will receive either a number of shares of Common Stock equal to the number of units earned, an amount in cash equal to the fair market value of that number of shares, or a combination thereof, at the expiration of the period over which the units are to be earned, or at a later date selected by the Compensation Committee.

### ***Performance Units***

The Compensation Committee is authorized to award performance units, including qualified performance-based awards. The performance unit awards will be subject to the terms and conditions established by the Compensation Committee. Unless the Compensation Committee determines otherwise, or specifies otherwise in an



award agreement, if the participant terminates employment during the period of time over which all or a portion of the performance units are to be earned, then any unvested performance units will be forfeited, unless the termination is due to the death of the participant and in such circumstances all unvested performance units will immediately vest and become exercisable on the death of the participant. At the expiration of the period of time over which the performance units are to be earned, the Compensation Committee will determine the number of units which have been earned, and the participant will receive a number of shares of Common Stock equal to the number of units earned or an amount in cash equal to the fair market value of that number of shares, as the Compensation Committee will elect.

### ***Qualified Performance-Based Awards***

The Compensation Committee may grant any award under the 2004 Equity Plan in the form of a qualified performance-based award in order to qualify such award as “performance-based compensation” under Section 162(m) of the Code by conditioning the vesting of the award on the satisfaction of certain performance goals. The Compensation Committee may establish these performance goals with reference to one or more of the following performance criteria:

- (i) net earnings or net income (before or after taxes);
- (ii) basic or diluted earnings per share (before or after taxes);
- (iii) pre- or after-tax income (before or after allocation of corporate overhead and bonus);
- (iv) operating income (before or after taxes);
- (v) revenue, net revenue, or net revenue growth;
- (vi) gross profit or gross profit growth;
- (vii) net operating profit (before or after taxes);
- (viii) earnings, including earnings before or after taxes;
- (ix) return measures (including, but not limited to, return on assets, net assets, capital, total capital, tangible capital, invested capital, equity, or total shareholder return);
- (x) cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on capital, cash flow return on investment, and cash flow per share (before or after dividends));
- (xi) margins, gross or operating margins, or cash margin;
- (xii) operating efficiency;
- (xiii) productivity ratios;
- (xiv) share price (including, but not limited to, growth measures and total shareholder return);
- (xv) expense targets;
- (xvi) objective measures of customer satisfaction;
- (xvii) working capital targets;
- (xviii) measures of economic value added, or economic value-added models or equivalent metrics;
- (xix) enterprise value;
- (xx) net sales;
- (xxi) appreciation in and/or maintenance of the price of the shares or any other publicly-traded securities of the Company;
- (xxii) market share;
- (xxiii) comparisons with various stock market indices;

- (xxiv) reductions in costs;
- (xxv) improvement in or attainment of expense levels or working capital levels;
- (xxvi) year-end cash;
- (xxvii) debt reductions;
- (xxviii) shareholder equity;
- (xxix) regulatory achievements; or

(xxx) implementation, completion or attainment of measurable objectives with respect to research, development, products or projects, production volume levels, acquisitions and divestitures and recruiting and maintaining personnel.

As soon as practicable following the end of the applicable performance period, the Compensation Committee will certify the attainment of the performance goals and will calculate the payment amount or vested percentage with respect to each award, if any, payable or vested with respect to each participant. In no event will any payment or vesting occur with respect to any award for a performance period in which performance fails to attain or exceed the minimum level for the applicable performance goals. Unless otherwise provided in the applicable award agreement, a participant must be employed by the Company on the last day of a performance period to be eligible for payment in respect of a qualified performance-based award for such performance period.

The maximum qualified performance-based award payable to any one participant under the 2004 Equity Plan for a performance period is 1,000,000 shares of Common Stock or, in the event such qualified performance-based award is paid in cash, the equivalent cash value thereof on the first or last day of the performance period to which such award relates, as determined by the Compensation Committee. The maximum amount that can be paid in any calendar year to any participant pursuant to a cash bonus award is \$3,000,000.

#### ***Other Stock Based Awards***

The Compensation Committee may grant other types of equity-based awards based upon the Company's Common Stock.

#### ***Tax Withholding***

A participant may be required to pay to us or make arrangements satisfactory to us to satisfy all federal, state and other withholding tax requirements related to awards under the 2004 Equity Plan. Unless we determine otherwise, a participant may satisfy his or her withholding liability (but no more than the minimum required withholding liability) by delivery of shares of Common Stock owned by the participant. To the extent permitted by law, we have the right to deduct any withholding taxes from any payment otherwise due to a participant.

#### ***Term and Amendment***

The 2004 Equity Plan will have a term of ten years. Our Board may at any time amend, alter or discontinue the 2004 Equity Plan. No amendment, alteration, discontinuation or termination will impair the rights of any participant or recipient of any award without the consent of the participant or recipient, nor will any amendment for which shareholder approval would be required be effective without receiving the necessary shareholder approval.

#### ***Change in Control***

Under the terms of the 2004 Equity Plan, if there is a change in control, unless otherwise provided by the Compensation Committee in any award agreement, any outstanding options will become fully vested and exercisable, any restrictions and deferral limitations applicable to restricted stock and restricted stock units will lapse, and all performance units, other stock-based awards and cash bonus awards will be considered earned and payable in full and any deferral or other restrictions will lapse and such performance units, other stock-based awards and cash bonus awards will be settled in cash or shares of Common Stock as determined by the Compensation Committee.

## **Federal Income Tax Consequences**

No income will be realized by a participant upon grant of a non-qualified stock option. Upon exercise of a non-qualified stock option, the participant will recognize ordinary compensation income in an amount equal to the excess, if any, of the fair market value of the underlying stock over the option exercise price (the “spread”) at the time of exercise. We will be able to deduct the spread for federal income tax purposes, subject to the possible limitations on deductibility under Sections 280G and 162(m) of the Code of compensation paid to executives designated in those sections. The participant’s tax basis in the underlying shares of our Common Stock acquired on the exercise of a non-qualified stock option will equal the exercise price plus the amount taxable as compensation to the participant.

The Code requires that, for incentive stock option treatment, shares of our Common Stock acquired through exercise of an incentive stock option cannot be disposed of before two years from the date of grant of the option and one year from the date of exercise. Incentive stock option holders will generally incur no federal income tax liability at the time of grant or upon exercise of such options. However, the spread at exercise will be an “item of tax preference” which may give rise to “alternative minimum tax” liability for the taxable year in which the exercise occurs at the time of exercise. If the participant does not dispose of the shares of our Common Stock before two years following the date of grant and one year following the date of exercise, the difference between the exercise price and the amount realized upon disposition of the shares of our Common Stock will constitute long-term capital gain or loss, as the case may be. Assuming both holding periods are satisfied, no deduction will be allowed to us for federal income tax purposes in connection with the grant or exercise of the option. If, within two years following the date of grant or within one year following the date of exercise, the holder of shares of our Common Stock acquired through the exercise of an incentive stock option disposes of such shares of our common stock, the participant will generally realize ordinary taxable compensation at the time of such disposition equal to the difference between the exercise price and the lesser of the fair market value of the stock on the date of initial exercise or the amount realized on the subsequent disposition, and such amount will generally be deductible by the company for federal income tax purposes, subject to the possible limitations on deductibility under Sections 280G and 162(m) of the Code for compensation paid to executives designated in those sections.

## **New Plan Benefits**

Awards under the 2004 Equity Plan will be determined by the Compensation Committee in its discretion and it is, therefore, except as noted below, not possible to predict the awards that will be made to particular officers in the future under the 2004 Equity Plan. For information regarding grants made to our named executive officers for fiscal 2007 under the 2004 Equity Plan, see the “Grants of Plan-Based Awards Table” above.

**March 2008 Awards**

The Compensation Committee met in March 2008 and approved the following awards of restricted stock under 2004 equity incentive plan, as part of our annual compensation program and reflecting our 2007 performance and the recipient’s individual 2007 performance, to be granted effective March 24, 2008:

**Signature Bank 2004 Long-Term Incentive Plan, as amended  
March 2008 Awards**

<u>Name and Position</u>	<u>Number of Shares (#)</u>	<u>Dollar Value (\$)</u>
Joseph J. DePaolo, . . . . . President and Chief Executive Officer	6,000	(1)
Eric R. Howell, . . . . . Senior Vice President and Chief Financial Officer	3,500	(1)
Scott A. Shay, . . . . . Chairman of the Board of Directors	—	—
John Tamberlano, . . . . . Vice-Chairman	5,000	(1)
Michael Merlo, . . . . . Executive Vice President and Chief Credit Officer	4,000	(1)
Mark T. Sigona, . . . . . Executive Vice President and Chief Operating Officer	5,000	(1)
Peter Quinlan, . . . . . Senior Vice President and Treasurer	—	—
Michael Sharkey, . . . . . Senior Vice President and Chief Technology Officer	4,000	(1)
All current executive officers as a group . . . . .	27,500	(1)
Non-executive director group . . . . .	—	—
Non-executive officer employee group . . . . .	(2)	1,916,202

(1) Dollar value to be determined based on the closing price of the Company’s common stock on March 24, 2008.

(2) Number of shares of common stock subject to the award will be determined by dividing the dollar value of the award by the closing price of the Company’s common stock on March 24, 2008.

**Special One-Time Retention Awards**

In September 2007, the Compensation Committee determined that it would make a special one-time grant of restricted stock or restricted stock units to certain of our executives, including each named executive officer, upon shareholder approval of the 2004 Equity Plan. This special one-time grant is being made to incentivize senior management and as a long term retention device, as the awards vest ratably on each of the sixth through tenth anniversaries of the date of grant, subject to continued employment on each such date (except that vesting will accelerate upon death or a change of control of the Company).

**Signature Bank 2004 Long-Term Incentive Plan, as amended  
Special One-Time Retention Awards**

<u>Name and Position</u>	<u>Dollar Value (\$)(1)</u>
Joseph J. DePaolo, . . . . . President and Chief Executive Officer	1,800,000
Eric R. Howell, . . . . . Senior Vice President and Chief Financial Officer	1,400,000
Scott A. Shay, . . . . . Chairman of the Board of Directors	1,200,000
John Tamberlane, . . . . . Vice-Chairman	1,000,000
Michael Merlo, . . . . . Executive Vice President and Chief Credit Officer	1,400,000
Mark T. Sigona, . . . . . Executive Vice President and Chief Operating Officer	1,400,000
Peter Quinlan, . . . . . Senior Vice President and Treasurer	1,000,000
Michael Sharkey, . . . . . Senior Vice President and Chief Technology Officer	1,000,000
All current executive officers as a group . . . . .	10,200,000
Non-executive director group . . . . .	—
Non-executive officer employee group . . . . .	—

(1) The actual grants will be effective upon shareholder approval. Number of shares of common stock subject to the award will be determined by dividing the dollar value of the award by the closing price of the Company's common stock on the date of shareholder approval.

**Required Vote**

Under the by-laws of the Company and relevant Nasdaq company rules relating to approval of equity compensation plans, approval of the performance-based provisions of the 2004 Equity Plan will require the affirmative vote of a majority of the votes cast on the proposal, provided that the total votes cast on the proposal represent over 50% in interest of all securities entitled to vote on the proposal. The Treasury Regulations require the affirmative vote of a majority of the votes cast on the issue at the meeting of shareholders to approve the performance-based provisions of the 2004 Equity Plan.

**Interests of Certain Persons in the Proposal**

As indicated above, our named executive officers are eligible to receive grants of restricted stock or restricted stock units if the amended 2004 Equity Plan is approved by shareholders. In addition, to the extent that our directors and other executive officers may in the future receive awards under the 2004 Equity Plan, they also may be deemed to have an interest in the 2004 Equity Plan.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE APPROVAL OF THE AMENDED & RESTATED SIGNATURE BANK 2004 LONG-TERM INCENTIVE PLAN.**

## 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, 2007.

<u>Plan Category</u>	<u>A</u>	<u>B</u>	<u>C</u>
	<b>Securities to be Issued Upon Exercise of Options, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Options, Warrants and Rights(2)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)</b>
Equity Compensation Plans Approved by Security Holders(1) . . . . .	1,377,141	\$16.80	718,865
Equity Compensation Plans Not Approved by Security Holders . . . . .	<u>—</u>	<u>—</u>	<u>—</u>
<b>Total . . . . .</b>	<b>1,377,141</b>	<b>\$16.80</b>	<b>718,865</b>

(1) Shares indicated are total grants under the 2004 equity incentive plan.

(2) Column A includes 158,024 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).

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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. As of the date of this proxy statement, our examining committee has not taken action with respect to engaging an independent registered public accounting firm for our 2008 fiscal year. There are no disagreements with KPMG LLP on any matter of accounting principles or practice, financial statement disclosure, or auditing scope or procedures. Representatives of KPMG LLP are expected to be present at the 2008 Annual Meeting and will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

**PRINCIPAL AUDITOR FEES AND SERVICES**

The following table shows the fees billed to Signature Bank for the audit and other services provided by KPMG LLP for fiscal 2007 and 2006:

	<b>2007</b>	<b>2006</b>
Audit Fees(1) . . . . .	\$397,000	\$397,000
Audit-Related Fees(2) . . . . .	301,000	279,000
Tax Fees . . . . .	—	—
All Other Fees . . . . .	—	—
Total . . . . .	<b>\$698,000</b>	<b>\$676,000</b>

- 
- (1) Audit fees represent fees for professional services provided in connection with the audit of our financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.
  - (2) Audit-related fees consisted primarily of accounting consultations concerning financial accounting and reporting standards, internal control reviews and other related services.

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.

## OTHER MATTERS

### Other Matters

Management does not know of any other matters to be considered at the 2008 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, 2007, 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](http://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 any request by a shareholder. The charters of our Compensation, Nominating 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.

### Shareholder Proposals

We anticipate that the 2009 Annual Meeting of Shareholders will be held in the first four months of 2009. Any shareholders who intend to present proposals at the 2009 Annual Meeting, and who wish to have such proposal included in Signature Bank's Proxy Statement for the 2009 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 2009 Annual Meeting must be received by November 17, 2008. 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 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 2009 annual meeting must be received no earlier than November 17, 2008 and no later than December 17, 2008. 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

Secretary



**SIGNATURE BANK AMENDED AND RESTATED  
2004 LONG-TERM INCENTIVE PLAN**

SECTION 1. *Purpose; Definitions*

The purpose of the Plan is to give the Company a competitive advantage in attracting, retaining and motivating officers, employees, directors and/or consultants and to provide the Company and its Subsidiaries and Affiliates with a stock plan providing incentives directly related to increases in Company shareholder value.

Certain terms used herein have definitions given to them in the first place in which they are used. In addition, for purposes of the Plan, the following terms are defined as set forth below:

(a) “*Affiliate*” means a corporation or other entity controlled by, controlling or under common control with the Company.

(b) “*Award*” means a Stock Option, Restricted Stock, Restricted Stock Unit, Performance Unit, Qualified Performance-Based Awards or other stock-based award granted pursuant to the terms of the Plan.

(c) “*Award Agreement*” means any written agreement, contract or other instrument or document evidencing the grant of an Award.

(d) “*Award Cycle*” means a period of consecutive fiscal years or portions thereof designated by the Committee over which Performance Units are to be earned.

(e) “*Board*” means the Board of Directors of the Company.

(f) “*Cause*” means, unless otherwise provided by the Committee in an Award Agreement, (i) “Cause” as defined in any Individual Agreement to which the Participant is a party, or (ii) if there is no such Individual Agreement or if it does not define Cause: (A) conviction of the Participant of, or the entry of a plea of guilty or nolo contendere by the Participant to, any felony or misdemeanor, excluding minor traffic violations, (B) fraud, misappropriation or embezzlement by the Participant, (C) the Participant’s dishonesty in the course of fulfilling the Participant’s employment duties, (D) the Participant’s willful failure or gross negligence in the performance of the Participant’s assigned duties for the Company, (E) the Participant’s breach of the Participant’s fiduciary duty to the Company, (F) any willful act or willful omission of the Participant that reflects adversely on the integrity and reputation for honesty and fair dealing of the Company or (G) prior to a Change in Control, such other events as shall be determined by the Committee. The Committee shall, unless otherwise provided in an Individual Agreement with the Participant, have the sole discretion to determine whether “Cause” exists, and its determination shall be final.

(g) “*Change in Control*” has the meaning set forth in Section 10(b).

(h) “*Code*” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

(i) “*Commission*” means the Securities and Exchange Commission or any successor agency.

(j) “*Committee*” means the Committee referred to in Section 2.

(k) “*Common Stock*” means common stock, par value \$0.01 per share, of the Company.

(l) “*Company*” means Signature Bank, a New York State chartered bank created under and governed by the banking laws of New York.

(m) “*Covered Employee*” means a Participant designated prior to the grant of Restricted Stock, Restricted Stock Units, Performance Units, or other Award by the Committee who is or may be a “covered employee” within the meaning of Section 162(m)(3) of the Code in the year in which Restricted Stock, Restricted Stock Units, Performance Units, or other stock-based awards are expected to be taxable to such Participant.

(n) “*Disability*” means, unless otherwise provided by the Committee, (i) “Disability” as defined in any Individual Agreement to which the Participant is a party, or (ii) if there is no such Individual Agreement or it does not define “Disability,” permanent and total disability as determined under the Company’s long-term disability plan applicable to the Participant.

(o) “*Early Retirement*” means retirement from active employment with the Company or a Subsidiary of the Company pursuant to the early retirement provisions of the applicable pension plan of such employer, if any.

(p) “*Effective Date*” shall have the meaning set forth in Section 15.

(q) “*Eligible Individuals*” mean directors, officers, employees and consultants of the Company or any of its Subsidiaries or Affiliates, and prospective employees and consultants who have accepted offers of employment or consultancy from the Company or its Subsidiaries or Affiliates, who are or will be responsible for or contribute to the management, growth or profitability of the business of the Company, or its Subsidiaries or Affiliates.

(r) “*Exchange Act*” means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

(s) “*Fair Market Value*” means, except as otherwise provided by the Committee, as of any given date, the closing sales price for a share of Common Stock on the Nasdaq or such other national securities exchange as may at the time be the principal market for the Common Stock, or if the shares were not traded on such national securities exchange on such date, then on the next preceding date on which such shares of Common Stock were traded, all as reported by such source as the Committee may select.

(t) “*Incentive Stock Option*” means any Stock Option designated as, and qualified as, an “incentive stock option” within the meaning of Section 422 of the Code.

(u) “*Individual Agreement*” means (i) an employment, consulting or similar written agreement between a Participant and the Company or one of its Subsidiaries or Affiliates or (ii) if the applicable Participant is a participant therein, the Signature Bank Change of Control Severance Plan for Key Corporate Employees (or any successor thereto).

(v) “*Involuntary Termination*” means a Termination of Employment by a Participant for Good Reason as defined in an Individual Agreement to which the Participant is a party that is then in effect and applicable to such Termination of Employment. If a Participant is not party to an Individual Agreement, or if it does not define “Good Reason,” no Termination of Employment of that Participant shall be considered to be an Involuntary Termination.

(w) “*Nasdaq*” means the Nasdaq National Market.

(x) “*Negative Discretion*” shall mean the discretion authorized by the Plan to be applied by the Committee to eliminate or reduce the size of a Qualified Performance-Based Award consistent with Section 162(m) of the Code.

(y) “*NonQualified Stock Option*” means any Stock Option that is not an Incentive Stock Option.

(z) “*Normal Retirement*” means retirement from active employment with the Company or a Subsidiary of the Company at or after age 65 or such other age as may be established by the Committee.

(aa) “*Option Price*” shall have the meaning set forth in Section 5(d).

(bb) “*Outside Director*” means a director who meets any applicable independence requirements of the Nasdaq and who qualifies as an “outside director” within the meaning of Section 162(m) of the Code and as a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Exchange Act.

(cc) “*Participant*” means an Eligible Individual who has been selected by the Committee to participate in the Plan and receive an Award.

(dd) “*Performance Criteria*” shall mean the criterion or criteria that the Committee may select for purposes of establishing the Performance Goal(s) for a Performance Period with respect to any Qualified Performance-Based Award under the Plan. The Performance Criteria that will be used to establish the Performance Goal(s) may be based on the attainment of specific levels of performance of the Company (or Affiliate, division or operational unit of the Company) and shall be limited to the following: (i) net earnings or net income (before or after taxes); (ii) basic or diluted earnings per share (before or after taxes); (iii) pre- or after-tax income (before or after allocation of corporate overhead and bonus); (iv) operating income (before or after taxes); (v) revenue, net revenue, or net revenue growth; (vi) gross profit or gross profit growth; (vii) net operating profit (before or after taxes); (viii) earnings, including earnings before or after taxes; (ix) return measures (including, but not limited to, return on assets, net assets, capital, total capital, tangible capital, invested capital, equity, or total shareholder return); (x) cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on capital, cash flow return on investment, and cash flow per share (before or after dividends)); (xi) margins, gross or operating margins, or cash margin; (xii) operating efficiency; (xiii) productivity ratios; (xiv) share price (including, but not limited to, growth measures and total shareholder return); (xv) expense targets; (xvi) objective measures of customer satisfaction; (xvii) working capital targets; (xviii) measures of economic value added, or economic value-added models or equivalent metrics; (xix) enterprise value; (xx) net sales; (xxi) appreciation in and/or maintenance of the price of the Shares or any other publicly-traded securities of the Company; (xxii) market share; (xxiii) comparisons with various stock market indices; (xxiv) reductions in costs; (xxv) improvement in or attainment of expense levels or working capital levels; (xxvi) year-end cash; (xxvii) debt reductions; (xxviii) stockholder equity; (xxix) regulatory achievements; or (xxx) implementation, completion or attainment of measurable objectives with respect to research, development, products or projects, production volume levels, acquisitions and divestitures and recruiting and maintaining personnel.

Any one or more of the Performance Criteria may be used on an absolute or relative basis to measure the performance of the Company and/or one or more Affiliates as a whole or any business unit(s) of the Company and/or one or more Affiliates or any combination thereof, as the Committee may deem appropriate, or any of the above Performance Criteria may be compared to the performance of a group of comparator companies, or a published or special index that the Committee, in its sole discretion, deems appropriate, or as compared to various stock market indices. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals. To the extent required under Section 162(m) of the Code, the Committee shall, within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the Performance Goals for such Performance Period.

In the event that applicable tax and/or securities laws change to permit Committee discretion to alter the governing Performance Criteria with respect to Qualified Performance-Based Awards without obtaining shareholder approval of such alterations, the Committee shall have sole discretion to make such alterations without obtaining shareholder approval.

(ee) “*Performance Formula*” shall mean, for a Performance Period, the one or more objective formulas applied against the relevant Performance Goal to determine, with regard to the Qualified Performance-Based Award of a particular Participant, whether all, some portion but less than all, or none of the Qualified Performance-Based Award has been earned for the Performance Period.

(ff) “*Performance Goals*” shall mean, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time during the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), or at any time thereafter to the extent the exercise of such authority at such time would not cause the Qualified Performance-Based Awards granted to any Participant for such Performance Period to fail to qualify as “performance-based compensation” under Section 162(m) of the Code, in its sole discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period, based on and in order to appropriately reflect the following events: (i) asset write-downs; (ii) litigation or claim judgments or settlements; (iii) the effect of changes in tax laws, accounting principles, or other laws or regulatory rules affecting reported results; (iv) any reorganization and restructuring programs;

(v) extraordinary nonrecurring items as described in Accounting Principles Board Opinion No. 30 (or any successor pronouncement thereto) and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to shareholders for the applicable year; (vi) acquisitions or divestitures; (vii) any other specific, unusual or nonrecurring events, or objectively determinable category thereof; (viii) foreign exchange gains and losses; and (ix) a change in the Company's fiscal year.

(gg) "*Performance Period*" shall mean the one or more periods of time not less than one (1) year in duration, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Qualified Performance-Based Award.

(hh) "*Performance Units*" means an Award granted under Section 7.

(ii) "*Plan*" means the Signature Bank Corp. 2004 Long-Term Incentive Plan, as set forth herein and as hereinafter amended from time to time.

(jj) "*Qualified Performance-Based Award*" means an Award of Restricted Stock, Restricted Stock Units, Performance Units, or other stock-based award or cash bonus designated as such by the Committee pursuant to Section 9 at the time of grant, based upon a determination that (i) the recipient is or may be a "covered employee" within the meaning of Section 162(m)(3) of the Code in the year in which the Company would expect to be able to claim a tax deduction with respect to such Restricted Stock, Restricted Stock Units, Performance Units, or other stock-based award or cash bonus and (ii) the Committee wishes such Award to qualify for the Section 162(m) Exemption.

(kk) "*Restricted Stock*" means an Award of Common Stock granted under Section 6.

(ll) "*Restricted Stock Unit*" means an Award of an unfunded and unsecured promise to deliver shares of Common Stock, cash, other securities or other property, granted under Section 6 of the Plan.

(mm) "*Retirement*" means Normal or Early Retirement.

(nn) "*Rule 16b-3*" means Rule 16b-3, as promulgated by the Commission under Section 16(b) of the Exchange Act, as amended from time to time.

(oo) "*Section 162(m) Exemption*" means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code.

(pp) "*Stock Option*" means an Award granted under Section 5.

(qq) "*Subsidiary*" means any corporation, partnership, joint venture or other entity during any period in which at least a 50% voting or profits interest is owned, directly or indirectly, by the Company or any successor to the Company.

(rr) "*Termination of Employment*" means the termination of the Participant's employment with, or performance of services for, the Company and any of its Subsidiaries or Affiliates. A Participant employed by, or performing services for, a Subsidiary or an Affiliate shall also be deemed to incur a Termination of Employment if the Subsidiary or Affiliate ceases to be such a Subsidiary or an Affiliate, as the case may be, and the Participant does not immediately thereafter become an employee of, or service-provider for, the Company or another Subsidiary or Affiliate. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries and Affiliates shall not be considered Terminations of Employment.

## SECTION 2. *Administration*

(a) The Plan shall be administered by the Compensation Committee or such other committee of the Board as the Board may from time to time designate (the "Committee"), which shall be composed of not less than two Outside Directors, and shall be appointed by and serve at the pleasure of the Board, except with respect to Awards to non-employee directors, which shall be administered by a committee of three or more Outside Directors elected by the Board (and with respect to which any committee member shall recuse himself or herself from voting on any such

Award grant to himself or herself). All references to the “Committee” with respect to grants to non-employee directors shall refer to such committee elected by the Board.

(b) The Committee shall have plenary authority to grant Awards pursuant to the terms of the Plan to Participants.

(c) Among other things, the Committee shall have the authority, subject to the terms of the Plan:

(i) To select the Participants to whom Awards may from time to time be granted;

(ii) To determine whether and to what extent any type of Award is to be granted hereunder;

(iii) To determine the number of shares of Common Stock to be covered by each Award granted hereunder;

(iv) To determine the terms and conditions of any Award granted hereunder (including, but not limited to, the Option Price (subject to Section 5(a)), any vesting condition, restriction or limitation (which may be related to the performance of the Participant, the Company or any Subsidiary or Affiliate) and any vesting acceleration or forfeiture waiver regarding any Award and the shares of Common Stock relating thereto, based on such factors as the Committee shall determine;

(v) Subject to the terms of the Plan, including without limitation Section 12, to modify, amend or adjust the terms and conditions of any Award, at any time or from time to time, including but not limited to Performance Goals; *provided, however*, that the Committee may not adjust upwards the amount payable to a Covered Employee with respect to a Qualified Performance-Based Award or waive or alter the Performance Goals associated therewith in a manner that would violate Section 162(m) of the Code;

(vi) To determine to what extent and under what circumstances Common Stock and other amounts payable with respect to an Award shall be deferred; and

(vii) To determine under what circumstances an Award may be settled in cash or Common Stock under Section 7(b)(iv).

(d) The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto) and to otherwise supervise the administration of the Plan.

(e) The Committee may act only by a majority of its members then in office. Except to the extent prohibited by applicable law or the applicable rules of a stock exchange, the Committee may (i) allocate all or any portion of its responsibilities and powers to any one or more of its members and (ii) delegate all or any part of its responsibilities and powers to any person or persons selected by it, *provided* that no such delegation may be made that would cause Awards or other transactions under the Plan to cease to be exempt from Section 16(b) of the Exchange Act or cause an Award designated as a Qualified Performance-Based Award not to qualify for, or to cease to qualify for, the Section 162(m) Exemption. Any such allocation or delegation may be revoked by the Committee at any time.

(f) Any determination made by the Committee with respect to any Award shall be made in the sole discretion of the Committee at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated officer pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company, its Affiliates, Subsidiaries, shareholders and Participants.

(g) Any authority granted to the Committee may also be exercised by the full Board, except to the extent that the grant or exercise of such authority would cause any Award or transaction to become subject to (or lose an exemption under) the short-swing profit recovery provisions of Section 16 of the Exchange Act or cause an Award designated as a Qualified Performance-Based Award not to qualify for, or to cease to qualify for, the Section 162(m) Exemption. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.



### SECTION 3. *Grant of Awards; Common Stock Subject to Plan*

(a) The maximum number of shares of Common Stock that may be delivered to Participants and their beneficiaries under the Plan shall be 3,500,000 (comprised of 2,286,450 shares originally reserved, plus an additional 1,213,550 shares approved by the stockholders of the Company at its 2008 annual meeting of stockholders). No Participant may be granted Stock Options covering in excess of 1,000,000 shares of Common Stock in any calendar year. Shares subject to an Award under the Plan may be authorized and unissued shares or may be treasury shares. If and to the extent any Award is forfeited, or any Stock Option terminates, expires or lapses without being exercised, shares of Common Stock subject to such Awards shall again be available for distribution in connection with Awards under the Plan. If the Option Price of any Stock Option is satisfied by delivering shares of Common Stock to the Company (by either actual delivery or by attestation), only the number of shares of Common Stock delivered to the Participant net of the shares of Common Stock delivered to the Company or attested to shall be deemed delivered for purposes of determining the maximum numbers of shares of Common Stock available for delivery under the Plan. To the extent any shares of Common Stock subject to an Award are not delivered to a Participant because such shares are used to satisfy an applicable tax-withholding obligation, such shares shall not be deemed to have been delivered for purposes of determining the maximum number of shares of Common Stock available for delivery under the Plan. The maximum number of shares of Common Stock that may be issued pursuant to Stock Options intended to be Incentive Stock Options shall be 3,500,000 shares.

(b) In the event of any change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding), such as a stock split or a corporate transaction, such as any merger, consolidation, separation, including a spin-off, or other distribution of stock or property of the Company (including any extraordinary cash or stock dividend), any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or any partial or complete liquidation of the Company, the Committee or Board shall make such equitable substitution or adjustments in the aggregate number and kind of shares reserved for issuance under the Plan, and the maximum limitation upon Stock Options and other Awards to be granted to any Participant, in the number, kind and Option Price of shares subject to outstanding Stock Options, in the number and kind of shares subject to other outstanding Awards granted under the Plan and/or such other equitable substitution or adjustments (including, without limitation, providing an amount in cash therefor) in order to prevent substantial enlargement or dilution of a Participant's rights in a manner consistent with the Plan, subject to the approval of the Superintendent of Banks of the State of New York; *provided, however*, that the number of shares subject to any Award shall always be a whole number.

### SECTION 4. *Eligibility*

Awards may be granted under the Plan to Eligible Individuals.

### SECTION 5. *Stock Options*

(a) Stock Options may be granted alone or in addition to other Awards granted under the Plan and may be of two types: Incentive Stock Options and NonQualified Stock Options. Any Stock Option granted under the Plan shall be in such form as the Committee may from time to time approve.

(b) The Committee shall have the authority to grant any Participant Incentive Stock Options, NonQualified Stock Options or both types of Stock Options; *provided, however*, that grants hereunder are subject to the limits on grants set forth in Section 3. Incentive Stock Options may be granted only to employees of the Company and its subsidiaries or parent corporation (within the meaning of Section 424(f) of the Code). To the extent that any Stock Option is not designated as an Incentive Stock Option or even if so designated does not qualify as an Incentive Stock Option on or subsequent to its grant date, it shall constitute a NonQualified Stock Option.

(c) Stock Options shall be evidenced by Award Agreements, the terms and provisions of which may differ. An Award Agreement shall indicate on its face whether it is intended to be an agreement for an Incentive Stock Option or a NonQualified Stock Option. The grant of a Stock Option shall occur on the date the Committee by resolution selects a Participant to receive a grant of a Stock Option, determines the number of shares of Common Stock to be subject to such Stock Option to be granted to such Participant and specifies the terms and provisions of the Stock Option. The Company shall notify a Participant of any grant of a Stock Option, and a written Award Agreement

shall be duly executed and delivered by the Company to the Participant. Such agreement or agreements shall become effective upon execution by the Company and the Participant.

(d) Stock Options granted under the Plan shall be subject to the following terms and conditions and shall contain such additional terms and conditions as the Committee shall deem desirable:

(i) *Option Price.* The Committee shall determine the option price per share of Common Stock purchasable under a Stock Option (the “Option Price”). The Option Price per share of Common Stock subject to a Stock Option shall not be less than the Fair Market Value of the Common Stock subject to such Stock Option on the date of grant. Except for adjustments pursuant to Section 3(b), in no event may any Stock Option granted under this Plan be amended to decrease the Option Price thereof, cancelled in conjunction with the grant of any new Stock Option with a lower Option Price, or otherwise be subject to any action that would be treated, for accounting purposes, as a “repricing” of such Stock Option, unless such amendment, cancellation, or action is approved by the Company’s shareholders in accordance with applicable law and stock exchange rules.

(ii) *Option Term.* The term of each Stock Option shall be fixed by the Committee, but no Incentive Stock Option shall be exercisable more than 10 years after the date the Stock Option is granted.

(iii) *Exercisability.* Except as otherwise provided herein, Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee. If the Committee provides that any Stock Option is exercisable only in installments, the Committee may at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine. In addition, the Committee may at any time accelerate the exercisability of any Stock Option. Notwithstanding the foregoing, a Participant’s Stock Options shall become fully vested and exercisable upon Termination of Employment due to the death of the Participant.

(iv) *Method of Exercise.* Subject to the provisions of this Section 5, Stock Options may be exercised, in whole or in part, at any time during the option term by giving written notice of exercise to the Company specifying the number of shares of Common Stock subject to the Stock Option to be purchased. Such notice shall be accompanied by payment in full of the Option Price by certified or bank check or such other instrument as the Company may accept. If approved by the Committee, payment, in full or in part, may also be made in the form of unrestricted Common Stock (by delivery of such shares or by attestation) already owned by the Participant of the same class as the Common Stock subject to the Stock Option (based on the Fair Market Value of the Common Stock on the date the Stock Option is exercised); *provided, however*, that, in the case of an Incentive Stock Option, the right to make a payment in the form of already owned shares of Common Stock of the same class as the Common Stock subject to the Stock Option may be authorized only at the time the Stock Option is granted. If approved by the Committee, to the extent permitted by applicable law, payment in full or in part may also be made by delivering a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay the Option Price, and, if requested, the amount of any federal, state, local or foreign withholding taxes. To facilitate the foregoing, the Company may enter into agreements for coordinated procedures with one or more brokerage firms. No shares of Common Stock shall be delivered until full payment therefor has been made. A Participant shall have all of the rights of a shareholder of the Company holding the class or series of Common Stock that is subject to such Stock Option (including, if applicable, the right to vote the shares and the right to receive dividends), when the Participant has given written notice of exercise, has paid in full for such shares and, if requested by the Company, has given the representation described in Section 14(a).

(e) *Nontransferability of Stock Options.* No Stock Option shall be transferable by the Participant other than by will or by the laws of descent and distribution or any other testamentary distribution. All Stock Options shall be exercisable, subject to the terms of this Plan, only by the Participant, the guardian or legal representative of the Participant, or any person to whom such option is transferred pursuant to this paragraph, it being understood that the term “holder” and “Participant” include such guardian, legal representative and other transferee; *provided, however*, that Termination of Employment shall continue to refer to the Termination of Employment of the original Participant.



(f) *Termination by Death.* Unless otherwise determined by the Committee at the time of grant, if a Participant incurs a Termination of Employment by reason of death, any Stock Option held by such Participant may thereafter be exercised, until the expiration of the stated term of such Stock Option.

(g) *Termination by Reason of Disability.* Unless otherwise determined by the Committee at the time of grant or, if a longer period of exercise is desired, thereafter, if a Participant incurs a Termination of Employment by reason of Disability, any Stock Option held by such Participant (or the appointed fiduciary of such Participant) may thereafter be exercised by the Participant (or the appointed fiduciary of such Participant), to the extent it was exercisable at the time of termination, or on such accelerated basis as the Committee may determine, for a period of one year from the date of such Termination of Employment or until the expiration of the stated term of such Stock Option, whichever period is the shorter; *provided, however*, that if the Participant dies within such period, any unexercised Stock Option held by such Participant shall, notwithstanding the expiration of such period, continue to be exercisable to the extent to which it was exercisable at the time of death until the expiration of the stated term of such Stock Option. In the event of Termination of Employment by reason of Disability, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a NonQualified Stock Option.

(h) *Termination by Reason of Retirement.* Unless otherwise determined by the Committee at the time of grant or, if a longer period of exercise is desired, thereafter, if a Participant incurs a Termination of Employment by reason of Retirement, any Stock Option held by such Participant may thereafter be exercised by the Participant, to the extent it was exercisable at the time of such Retirement, or on such accelerated basis as the Committee may determine, for a period of one year from the date of such Termination of Employment or until the expiration of the stated term of such Stock Option, whichever period is the shorter; *provided, however*, that if the Participant dies within such period any unexercised Stock Option held by such Participant shall, notwithstanding the expiration of such period, continue to be exercisable to the extent to which it was exercisable at the time of death for until the expiration of the stated term of such Stock Option, except in the case of an Incentive Stock Option, which shall be exercisable for (i) a period of one year from the date of such death or (ii) the expiration of the stated term of the Incentive Stock Option, whichever period is the shorter. In the event of Termination of Employment by reason of Retirement, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a NonQualified Stock Option.

(i) *Other Termination.* Unless otherwise determined by the Committee at the time of grant or, if a longer period of exercise is desired, thereafter: (A) if a Participant incurs a Termination of Employment for Cause, all Stock Options held by such Participant shall thereupon terminate; and (B) if a Participant incurs a Termination of Employment for any reason other than death, Disability, Retirement or for Cause, any Stock Option held by such Participant, to extent it was then exercisable at the time of termination, or on such accelerated basis as the Committee may determine, may be exercised for the lesser of 90 days from the date of such Termination of Employment or the balance of such Stock Option's term; *provided, however*, that if the Participant dies within such three-month period, any unexercised Stock Option held by such Participant shall, notwithstanding the expiration of such three-month period, continue to be exercisable to the extent to which it was exercisable at the time of death until the expiration of the stated term of such Stock Option, except in the case of an Incentive Stock Option, which shall be exercisable for (i) a period of one year from the date of such death or (ii) the expiration of the stated term of the Incentive Stock Option, whichever period is the shorter.

(j) *Change in Control Termination.* Notwithstanding any other provision of this Plan to the contrary, in the event a Participant incurs a Termination of Employment during the 24-month period following a Change in Control other than (i) by the Company for Cause, (ii) by reason of death, (iii) by reason of Disability or (iv) by voluntary resignation other than by reason of an Involuntary Termination, any Stock Option held by such Participant may thereafter be exercised by the Participant, to the extent it was exercisable at the time of termination, or on such accelerated basis as the Committee may determine, for (A) the longer of (1) one year from such date of termination or (2) such other period as may be provided in the Plan for such Termination of Employment or as the Committee may provide in the Award Agreement or Individual Agreement, or (B) until expiration of the stated term of such Stock Option, whichever period is the shorter. If an Incentive Stock Option is exercised after the expiration of the post-termination exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a NonQualified Stock Option.

SECTION 6. *Restricted Stock and Restricted Stock Units*

(a) *Administration.* Shares of Restricted Stock and Restricted Stock Units may be awarded either alone or in addition to other Awards granted under the Plan. The Committee shall determine the Participants to whom and the time or times at which grants of Restricted Stock and Restricted Stock Units will be awarded, the number of shares of Restricted Stock or shares underlying Restricted Stock Units to be awarded to any Participant, the conditions for vesting, the time or times within which such Awards may be subject to forfeiture and any other terms and conditions of the Awards, in addition to those contained in Section 6(c).

(b) *Awards and Certificates.* Shares of Restricted Stock shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Any certificate issued in respect of shares of Restricted Stock shall be registered in the name of such Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

“The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of Signature Bank’s Long-Term Incentive Plan and an Award Agreement. Copies of such Plan and Agreement are on file at the offices of Signature Bank.”

The Committee may require that the certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of any Award of Restricted Stock, the Participant shall have delivered a stock power, endorsed in blank, relating to the Common Stock covered by such Award.

(c) *Terms and Conditions.* Shares of Restricted Stock and Restricted Stock Units shall be subject to the following terms and conditions:

(i) Regardless of whether an Award of Restricted Stock or Restricted Stock Units is designated by the Committee as a Qualified Performance-Based Award, the Committee may condition the grant or vesting thereof upon the attainment of Performance Goals, the continued service of the Participant or a combination of the foregoing. The Committee may at any time, in its sole discretion, accelerate or waive, in whole or in part, any of the foregoing restrictions, except as provided in Section 9 in the case of Restricted Stock or Restricted Stock Units that are Qualified Performance-Based Awards.

(ii) Subject to the provisions of the Plan and the Award Agreement referred to in Section 6(c)(vii), during the period, if any, set by the Committee, commencing with the date of such Award for which such Participant’s continued service is required (the “Restriction Period”), and until the later of (A) the expiration of the Restriction Period and (B) the date the applicable Performance Goals (if any) are satisfied, the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber shares of Restricted Stock or Restricted Stock Units; *provided* that, to the extent permitted by applicable law, the foregoing shall not prevent a Participant from pledging Restricted Stock or Restricted Stock Units as security for a loan, the sole purpose of which is to provide funds to pay the Option Price for Stock Options. Notwithstanding the foregoing, the Restriction Period for a Participant shall end upon a Termination of Employment due to the Participant’s death.

(iii) Except as provided in this paragraph (iii) and Sections 6(c)(i) and 6(c)(ii) and the Award Agreement, the Participant shall have, with respect to the shares of Restricted Stock, all of the rights of a shareholder of the Company holding the class or series of Common Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the shares and the right to receive any cash dividends. If so determined by the Committee in the applicable Award Agreement and subject to Section 14(e) of the Plan, (A) cash dividends on the class or series of Common Stock that is the subject of the Restricted Stock Award shall be automatically deferred and reinvested in additional Restricted Stock, held subject to the vesting of the underlying Restricted Stock, or held subject to meeting Performance Goals applicable only to dividends, (B) dividends payable in Common Stock shall be paid in the form of Restricted Stock of the same class as the Common Stock with which such dividend was paid, held subject to the vesting of the underlying Restricted Stock, or held subject to meeting Performance Goals applicable only to dividends and (C) an Award of Restricted Stock Units may provide a Participant with dividend equivalents in respect of dividends payable with respect to shares of Common Stock underlying such Restricted Stock Units, payable on such terms and conditions as may be

determined by the Committee in its sole discretion, including, without limitation, withholding of such amounts by the Company subject to vesting of the underlying Restricted Stock Units, or held subject to meeting Performance Goals applicable only to dividends.

(iv) Except to the extent otherwise provided in the applicable Award Agreement or Section 6(c)(i), 6(c)(ii), 6(c)(v) or 10(a)(ii), upon a Participant's Termination of Employment for any reason during the Restriction Period or before the applicable Performance Goals are satisfied, all shares of Restricted Stock and Restricted Stock Units still subject to restriction shall be forfeited by the Participant; *provided, however*, that the Committee shall have the discretion to waive, in whole or in part, any or all remaining restrictions (other than, in the case of Restricted Stock and Restricted Stock Units designated as a Qualified Performance-Based Award with respect to which a Participant is a Covered Employee, satisfaction of the applicable Performance Goals unless the Participant's Termination of Employment is by reason of death or Disability) with respect to any or all of such Participant's shares of Restricted Stock and Restricted Stock Units.

(v) If and when any applicable Performance Goals are satisfied and the Restriction Period expires without a prior forfeiture of the Restricted Stock or Restricted Stock Units as applicable, unlegended certificates for such shares shall be delivered to the Participant upon surrender of the legended certificates.

(vi) Unless otherwise provided by the Committee in an Award Agreement, upon the expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or his beneficiary, an unlegended certificate for one share of Common Stock for each such outstanding Restricted Stock Unit; *provided, however*, that the Committee may, in its sole discretion, elect to (i) pay cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock in respect of such Restricted Stock Units or (ii) defer the delivery of Common Stock (or cash or part Common Stock and part cash, as the case may be) beyond the expiration of the Restricted Period. If a cash payment is made in lieu of delivering shares of Common Stock, the amount of such payment shall be equal to the Fair Market Value of the Common Stock as of the date on which the Restricted Period lapsed with respect to such Restricted Stock Units.

(vii) Each Award shall be confirmed by, and be subject to, the terms of an Award Agreement.

#### SECTION 7. *Performance Units*

(a) *Administration.* Performance Units may be awarded either alone or in addition to other Awards granted under the Plan. The Committee shall determine the Participants to whom and the time or times at which Performance Units shall be awarded, the number of Performance Units to be awarded to any Participant, the duration of the Award Cycle and any other terms and conditions of the Award, in addition to those contained in Section 7(b).

(b) *Terms and Conditions.* Performance Units shall be subject to the following terms and conditions:

(i) Regardless of whether Performance Units are designated by the Committee as Qualified Performance-Based Awards, the Committee may condition the settlement thereof upon the attainment of Performance Goals, the continued service of the Participant or a combination of the foregoing. Subject to the provisions of the Plan and the Award Agreement referred to in Section 7(b)(v), Performance Units may not be sold, assigned, transferred, pledged or otherwise encumbered during the Award Cycle.

(ii) Except to the extent otherwise provided in the applicable Award Agreement or Section 7(b)(ii) or 10(a)(iii), upon a Participant's Termination of Employment for any reason during the Award Cycle or before any applicable Performance Goals are satisfied, all rights to receive cash or stock in settlement of the Performance Units shall be forfeited by the Participant; *provided, however*, that the Committee shall have the discretion to waive, in whole or in part, any or all remaining payment limitations (other than, in the case of Performance Units that are Qualified Performance-Based Awards, satisfaction of the applicable Performance Goals unless the Termination of Employment of the Participant is by reason of death or Disability) with respect to any or all of such Participant's Performance Units. Notwithstanding the foregoing, all remaining payment limitations on a Participant's Performance Units shall be deemed satisfied on the death of the Participant.

(iii) A Participant may elect to further defer receipt of cash or shares in settlement of Performance Units for a specified period or until a specified event, subject in each case to the Committee's approval and to such terms as are determined by the Committee. Subject to any exceptions adopted by the Committee, such election must generally be made prior to commencement of the Award Cycle for the Performance Units in question.

(iv) At the expiration of the Award Cycle, the Committee shall evaluate the Company's performance in light of any Performance Goals for such Award, and shall determine the number of Performance Units granted to the Participant which have been earned, and the Committee shall then cause to be delivered to the Participant (A) a number of shares of Common Stock equal to the number of Performance Units determined by the Committee to have been earned, or (B) cash equal to the Fair Market Value of such number of shares of Common Stock, as the Committee shall elect (subject to any deferral pursuant to Section 7(b)(iii)).

(v) Each Award shall be confirmed by, and be subject to, the terms of an Award Agreement.

#### SECTION 8. *Other Stock-Based Awards*

Other Awards of Common Stock and other Awards that are valued in whole or in part by reference to, or are otherwise based upon, Common Stock, including (without limitation) dividend equivalents and convertible debentures, may be granted either alone or in conjunction with other Awards granted under the Plan.

#### SECTION 9. *Qualified Performance-Based Awards*

(a) *General.* The Committee shall have the authority, at the time of grant of any Award described in Sections 5 through 8 (other than Stock Options granted with an exercise price or grant price, as the case may be, equal to or greater than the Fair Market Value per share of Common Stock on the date of grant), to designate such Award as a Qualified Performance-Based Award in order to qualify such Award as "performance-based compensation" under Section 162(m) of the Code. The Committee shall have the authority to grant cash bonuses under the Plan and designate such Award as a Qualified Performance-Based Award in order to qualify such Award as "performance-based compensation" under Section 162(m).

(b) *Eligibility.* The Committee will, in its sole discretion, designate within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code) which Participants will be eligible to receive Qualified Performance-Based Awards in respect of such Performance Period. However, designation of a Participant eligible to receive an Award hereunder for a Performance Period shall not in any manner entitle the Participant to receive payment in respect of any Qualified Performance-Based Award for such Performance Period. The determination as to whether or not such Participant becomes entitled to payment in respect of any Qualified Performance-Based Award shall be decided solely in accordance with the provisions of this Section 9. Moreover, designation of a Participant eligible to receive an Award hereunder for a particular Performance Period shall not require designation of such Participant eligible to receive an Award hereunder in any subsequent Performance Period and designation of one person as a Participant eligible to receive an Award hereunder shall not require designation of any other person as a Participant eligible to receive an Award hereunder in such period or in any other period.

(c) *Discretion of Committee with Respect to Qualified Performance-Based Awards.* With regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period (provided any such Performance Period shall be not less than one (1) year in duration), the type(s) of Qualified Performance-Based Awards to be issued, the Performance Criteria that will be used to establish the Performance Goal(s), the kind(s) and/or level(s) of the Performance Goals(s) that is(are) to apply to the Company and the Performance Formula. Within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), the Committee shall, with regard to the Qualified Performance-Based Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence of this Section 9(c) and record the same in writing.

#### (d) *Payment of Qualified Performance-Based Awards*

(i) *Condition to Receipt of Payment.* Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Qualified Performance-Based Award for such Performance Period.

(ii) *Limitation.* A Participant shall be eligible to receive payment in respect of a Qualified Performance-Based Award only to the extent that: (A) the Performance Goals for such period are achieved; and (B) the Performance Formula as applied against such Performance Goals determines that all or some portion of such Participant's Performance Award has been earned for the Performance Period.

(iii) *Certification.* Following the completion of a Performance Period, the Committee shall review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, calculate and certify in writing that amount of the Qualified Performance-Based Awards earned for the period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant's Qualified Performance-Based Award for the Performance Period and, in so doing, may apply Negative Discretion in accordance with Section 9(d)(iv) hereof, if and when it deems appropriate.

(iv) *Use of Discretion.* In determining the actual size of an individual Performance Award for a Performance Period, the Committee may reduce or eliminate the amount of the Qualified Performance-Based Award earned under the Performance Formula in the Performance Period through the use of Negative Discretion if, in its sole judgment, such reduction or elimination is appropriate. The Committee shall not have the discretion to (a) grant or provide payment in respect of Qualified Performance-Based Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained; or (b) increase a Qualified Performance-Based Award above the maximum amount payable under Section 3(a) or 9(d)(vi) of the Plan.

(v) *Timing of Award Payments.* Qualified Performance-Based Awards granted for a Performance Period shall be paid to Participants as soon as administratively practicable following completion of the certifications required by this Section 9.

(vi) *Maximum Award Payable.* Notwithstanding any provision contained in this Plan to the contrary, the maximum Qualified Performance-Based Award payable to any one Participant under the Plan for a Performance Period is 1,000,000 shares of Common Stock or, in the event such Qualified Performance-Based Award is paid in cash, the equivalent cash value thereof on the first or last day of the Performance Period to which such Award relates, as determined by the Committee. The maximum amount that can be paid in any calendar year to any Participant pursuant to a cash bonus Award described in the last sentence of Section 9(a) shall be \$3,000,000. Furthermore, any Qualified Performance-Based Award that has been deferred shall not (between the date as of which the Award is deferred and the payment date) increase (A) with respect to Qualified Performance-Based Award that is payable in cash, by a measuring factor for each fiscal year greater than a reasonable rate of interest set by the Committee or (B) with respect to a Qualified Performance-Based Award that is payable in shares of Common Stock, by an amount greater than the appreciation of a share of Common Stock from the date such Award is deferred to the payment date.

#### SECTION 10. *Change in Control Provisions*

(a) *Impact of Event.* Notwithstanding any other provision of the Plan to the contrary, unless otherwise provided by the Committee in any Award Agreement, in the event of a Change in Control:

(i) Any Stock Options outstanding as of the date of such Change in Control, and which are not then exercisable and vested, shall become fully exercisable and vested.

(ii) The restrictions and deferral limitations applicable to any Restricted Stock and Restricted Stock Units shall lapse, and such Restricted Stock and Restricted Stock Units shall become free of all restrictions and become fully vested.

(iii) All Performance Units, other stock-based awards and cash bonus awards shall be considered to be earned and payable in full, and any deferral or other restriction shall lapse and such Performance Units and other stock-based awards shall be settled in cash or shares of Common Stock, as determined by the Committee, and cash bonus awards shall be paid as promptly as is practicable.



(b) *Definition of Change in Control.* For purposes of the Plan, a “Change in Control” shall mean the happening of any of the following events:

(i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) that results in beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) by such Person of 50% or more of either (A) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”), excluding, however, the following: (v) Any acquisition by any entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the Outstanding Company Common Stock or the voting power of the Company Voting Securities (as the case may be) then outstanding, (w) Any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (x) Any acquisition by the Company, (y) Any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company in which at least a 50% voting or profits interest is owned, directly or indirectly, by the Company, or (z) Any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section 10(b); or

(ii) There occurs a change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such Board shall be hereinafter referred to as the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; *provided, however*, for purposes of this Section 10(b), that any individual who becomes a member of the Board subsequent to the Effective Date, whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but, *provided, further*, that any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (“Corporate Transaction”) unless (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, 50% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Corporate Transaction, and (C) at least a majority of the members of the board of directors of such corporation resulting from such Corporate Transaction were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Corporate Transaction; or

(iv) The approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, (A) a Person shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement (or voting or option agreement related thereto) until the consummation of the transactions contemplated by such agreement and (B) any holding company whose only material asset is equity interests of the Company or any of its direct or indirect parent companies shall be disregarded for purposes of determining beneficial ownership under clause (i) above.

#### SECTION 11. *Forfeiture of Awards*

Notwithstanding anything in the Plan to the contrary, the Committee shall have the authority under the Plan to provide in any Award Agreement that in the event of serious misconduct by a Participant (including, without limitation, any misconduct prejudicial to or in conflict with the Company or its Subsidiaries or Affiliates, or any Termination of Employment for Cause), or any activity of a Participant in competition with the business of the Company or any Subsidiary or Affiliate, any outstanding Award granted to such Participant shall be cancelled, in whole or in part, whether or not vested or deferred. The determination of whether a Participant has engaged in a serious breach of conduct or any activity in competition with the business of the Company or any Subsidiary or Affiliate shall be determined by the Committee in good faith and in its sole discretion. This Section 11 shall have no application following a Change in Control.

#### SECTION 12. *Term, Amendment and Termination*

The Plan will terminate on the tenth anniversary of the Effective Date. Under the Plan, Awards outstanding as of such date shall not be affected or impaired by the termination of the Plan.

The Board may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would impair the rights of a Participant under a Stock Option or a recipient of a Restricted Stock Award, Performance Unit Award or other Award theretofore granted without the Participant's or recipient's consent, except such an amendment made to comply with applicable law, stock exchange rules or accounting rules. In addition, no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by applicable law or stock exchange rules.

The Committee may amend the terms of any Stock Option or other Award theretofore granted, prospectively or retroactively, but no such amendment shall cause a Qualified Performance-Based Award to cease to qualify for the Section 162(m) Exemption or impair the rights of any holder without the holder's consent except such an amendment made to cause the Plan or Award to comply with applicable law, stock exchange rules or accounting rules.

Subject to the above provisions, the Board shall have authority to amend the Plan to take into account changes in law and tax and accounting rules as well as other developments, and to grant Awards which qualify for beneficial treatment under such rules without shareholder approval.

#### SECTION 13. *Unfunded Status of Plan*

It is presently intended that the Plan constitute an "unfunded" plan for incentive and deferred compensation. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Common Stock or make payments; *provided, however*, that unless the Committee otherwise determines, the existence of such trusts or other arrangements is consistent with the "unfunded" status of the Plan.

#### SECTION 14. *General Provisions*

(a) *Representation.* The Committee may require each person purchasing or receiving shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to the distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer. Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be required to issue or deliver any certificate or certificates for shares of Common Stock under the Plan prior to fulfillment of all of the following conditions:

(i) Listing or approval for listing upon notice of issuance, of such shares on Nasdaq, or such other securities exchange as may at the time be the principal market for the Common Stock;



(ii) Any registration or other qualification of such shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and

(iii) Obtaining any other consent, approval, or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

(b) *No Limit of Other Arrangements; No Uniformity of Treatment.* Nothing contained in the Plan shall prevent the Company or any Subsidiary or Affiliate from adopting other or additional compensation arrangements for its employees. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated.

(c) *No Contract of Employment.* The Plan shall not constitute a contract of employment, and adoption of the Plan shall not confer upon any employee any right to continued employment, nor shall it interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the employment of any employee at any time.

(d) *Tax Withholding.* No later than the date as of which an amount first becomes includible in the gross income of the Participant for federal income tax purposes with respect to any Award under the Plan, the Participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Company, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement; *provided* that not more than the legally required minimum withholding may be settled with Common Stock. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Common Stock.

(e) *Dividends.* Reinvestment of dividends in additional Restricted Stock (or reinvestment of dividend equivalents in additional Restricted Stock Units that are to be settled in shares of Common Stock) at the time of any dividend payment shall only be permissible if sufficient shares of Common Stock are available under Section 3 for such reinvestment (taking into account then outstanding Stock Options and other Awards).

(f) *Death Beneficiary.* The Committee shall establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable in the event of the Participant's death are to be paid or by whom any rights of the Participant, after the Participant's death, may be exercised.

(g) *Subsidiary Employees.* In the case of a grant of an Award to any employee of a Subsidiary of the Company, the Company may, if the Committee so directs, issue or transfer the shares of Common Stock, if any, covered by the Award to the Subsidiary, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Subsidiary will transfer the shares of Common Stock to the employee in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan. All shares of Common Stock underlying Awards that are forfeited or canceled shall revert to the Company.

(h) *Governing Law.* The Plan and all Awards made and actions taken thereunder shall be subject to the provisions of the Banking Law of the State of New York (including, without limitation, section 140-a thereof) and the regulations thereunder, and shall be governed by and construed in accordance with the laws of the State of New York, without reference to principles of conflict of laws.

(i) *Nontransferability.* Except as otherwise provided in Section 5(e) or by the Committee, Awards under the Plan are not transferable except by will or by laws of descent and distribution.

(j) *Section 409A of the Code.* To the extent applicable, notwithstanding anything herein to the contrary, this Plan and Awards issued hereunder shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without

limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any amounts payable hereunder will be taxable to a Participant under Section 409A of the Code and related Department of Treasury guidance prior to payment to such Participant of such amount, the Company may (i) adopt such amendments to the Plan and Awards and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Awards hereunder and/or (ii) take such other actions as the Committee determines necessary or appropriate to avoid or limit the imposition of an additional tax under Section 409A of the Code. In the event that it is reasonably determined by the Committee that, as a result of Section 409A of the Code, payments in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, the Company will make such payment on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code. The Participant shall be solely responsible for, and nothing herein shall obligate the Company to pay for or on behalf of any Participant, any taxes imposed on such Participant under Section 409A of the Code in respect of any Award granted under the Plan.

SECTION 15. *Effective Date of Plan*

The Plan shall be effective as of the date (the “Effective Date”) it is adopted by the Board, *provided* that it has been approved or is thereafter approved by the stockholders of the Company in accordance with all applicable laws, regulations and stock exchange rules and listing standards.